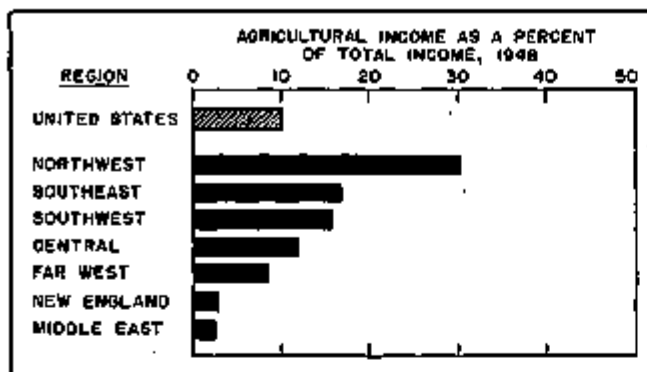
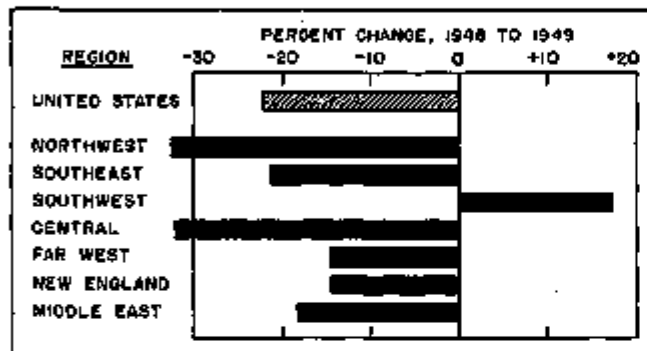


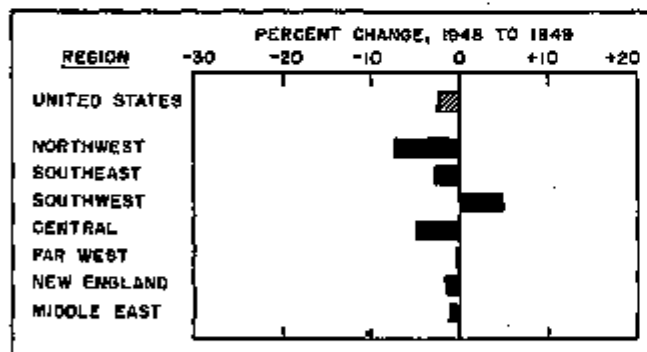
Because of wide regional differences in the relative importance of agriculture .....



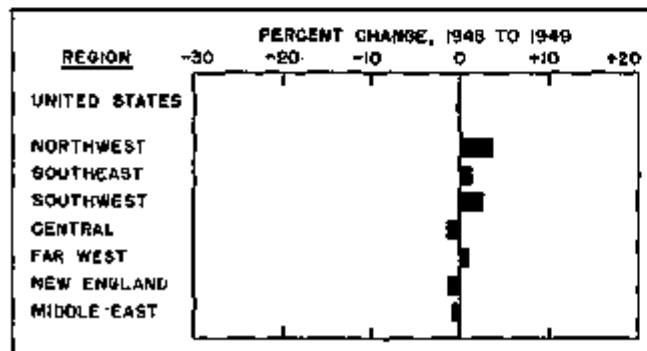
and because of large regional fluctuations in AGRICULTURAL INCOME .....



last year's regional movements in TOTAL INCOME .....



were significantly different from those in NONAGRICULTURAL INCOME.



U. S. DEPARTMENT OF COMMERCE, OFFICE OF BUSINESS ECONOMICS

50-240

## State Income Payments in 1949

INCOME payments to individuals declined in 34 States in 1949—a year marking a moderate downward adjustment in postwar economic activity and an abatement of inflationary pressures. In seven States the flow of income to individuals was stable from 1948 to 1949, and in only eight were there further upward movements from the record highs established in 1948.

In the continental United States as a whole, the total income received by individuals declined 2 percent from 1948 to 1949—from \$202 billion to \$198 billion. By far the best regional showing was made by the Southwest, where income payments increased 5 percent. Aggregate income was maintained at the 1948 level in the Far West, but declined in the other five regions of the country.

In the Middle East total income was down 1 percent in 1949, and in New England the decline was 2 percent, about the same as that occurring nationally. Income payments in 1949 were 3 percent less than in 1948 in the Southeast. The largest declines—5 and 7 percent, respectively—occurred in the Central and Northwest regions.

Among the individual States, the largest gains were made by New Mexico (8 percent) and Texas (6 percent). In Delaware, the District of Columbia, Florida, and Louisiana income payments rose 5 percent from 1948 to 1949. At the other end of the scale, aggregate income declines ranging from 11 to 22 percent were sustained by the important farm States of Nebraska, Montana, Iowa, Mississippi, North Dakota, and South Dakota.

Despite the considerable divergence that characterized the 1948-49 State income changes, regional patterns are clearly evidenced. In seven of the eight States of the Far West and Southwest, total income either declined less than the national average or actually increased. (See table 1.) The same was true with respect to six of the seven Middle Eastern States. And in 13 of the 17 States comprising the Central and Northwestern areas, income payments declined by a larger percentage than in the country at large.

For the United States as a whole, per capita income payments (total income divided by total population) were \$1,330 in 1949—a decrease of 4 percent from the \$1,387 average for 1948, but higher than in any other year. On a regional basis, per capita income payments declined from 1948 to 1949 in all parts of the Nation except the Southwest. There, average incomes increased 5 percent. In the Southeast, Far West, Middle East, and New England, the declines paralleled the national movement. In the Central and Northwest regions they were as much as 6 and 10 percent, respectively.

This article continues the series of reports on State income payments which have been published annually in the SURVEY OF CURRENT BUSINESS. It presents estimates for each State and the District of Columbia of total and per capita income

NOTE.—MR. SCHWARTZ AND MR. GRAHAM ARE MEMBERS OF THE NATIONAL INCOME DIVISION, OFFICE OF BUSINESS ECONOMICS.

payments for 1949. Also included in the report are revised estimates of total income payments for 1946-48 and of per capita income payments for 1940-48. For convenience, the estimates of both total income and per capita income are published here for all years of the 1929-49 period. They are shown in tables 7 and 8, respectively.

The revisions of total income represent adjustments to revised national totals and incorporate better and more complete State data that became available in the past year. The revisions of per capita income stem, additionally, from the use of revised State population estimates. Unofficial population estimates furnished by the Bureau of the Census, taking into account the preliminary counts from the 1950 Census of Population, were used in the preparation of these improved per capita income estimates for the period since 1940.

### Developments on National Scale

Prior to a further discussion of State income payments in 1949 as compared with those in previous years, a summary picture of developments on a national scale should prove useful. These developments strongly influenced the 1949 geographic income distribution, although regional differences in economic structure and pace of activity considerably modified the impact of national economic forces.

The gradual unfolding of last year's business recession was watched with great apprehension. But, in retrospect, it is evident that moderateness was its outstanding feature. Over the course of the downward adjustment, confined largely to the first half of the year, the gross national product dropped by an annual rate of \$12 billion, or 4 percent; but for the year as a whole the market value of national output, at \$256 billion, was only \$3.5 billion below the record annual total for 1948.

The decline in value of total production from 1948 to 1949 reflected a substantial drop in inventory investment demand, with aggregate sales in the economy showing a moderate increase. In 1948, when business stocks were still rising to meet postwar requirements, there was a high rate of inventory accumulation. Last year, when backlog needs largely had been filled and the passage of postwar inflation made advisable more cautious inventory policies on the part of businessmen, there was an appreciable liquidation of inventories. The over-all stability of aggregate sales within 1949—highlighted by the remarkable firmness of consumer purchases of goods and services—mitigated the impact of the inventory recession and led to a stabilization of activity in the second half of the year.

The character of last year's downturn in business activity was such that it struck rather hard at certain segments of the economy, notably manufacturing and agriculture, but left others largely untouched. Total income originating in manufacturing declined \$4½ billion, or 7 percent, from 1948 to 1949. This industry produces the bulk of inventory goods held in the economy and is in a particularly sensitive position with respect to business inventory policies. A decline of similar dollar magnitude—and amounting in relative terms to more than one-fifth—occurred in agriculture. This was mainly a consequence of sharply lower farm prices, which were affected adversely by accumulating supplies and some lessening of foreign demand. The total physical volume of farm production in 1949 was of near-record proportions.

In the trade, distribution, services, and construction sectors of the economy, however, activity was maintained or increased in 1949. This was a broad reflection of the combined strength of consumer purchases and of business investment demand other than for inventories. Further, the total

income paid out to individuals by Federal, State, and local governments increased 10 percent in 1949 over 1948. Expansions in government payrolls and transfers to individuals were elements of the generally supportive influence of governmental operations and policies on the economy in 1949.

### State Income Changes from 1948 to 1949

Of the foregoing and other national economic developments in 1949, the sharp decline in farm income had the largest effect on the State distribution of income payments. This can be traced, at least in summary fashion, from the chart on the opposite page and from the data shown in tables 2 and 5.

A major fact in this regard is the strong influence of farm income declines on the general income stream throughout the Nation in 1949. In 44 States and in 6 of 7 regions, agricultural income moved downward from 1948 to 1949. In three-fourths of the States and all 6 regions of decline, the drop was 15 percent or more. Only in Florida and the Southwestern States of Texas, New Mexico, and Arizona were there counter, rising movements of agricultural income.

Although the Nation-wide drop in farm income is imprinted clearly on the 1948-49 geographic income changes, its impact in the various States and regions was far from uniform. As depicted regionally in the chart, this stemmed from two facts: (1) The role of agriculture in the State and regional economies is very unequal, and (2) geographic rates of change in farm income from 1948 to 1949—though mainly declines of sizable magnitude—were markedly divergent.\*

These varying rates were the net composite of a myriad of factors, national and local, affecting farm production, prices, and expenses but reflected in broad outline the differing regional impact of sharp declines in the value of wheat, corn, and oats production, the comparative maintenance of income from livestock production, stability in value of cotton production, and a moderate increase in the value of output of citrus fruits. Even this qualified generalization, however, suggests an undue degree of uniformity, as witnessed by declines in the value of cotton production in Mississippi and other Southeastern States and sharp increases in Texas, Arizona, New Mexico, and California.

In the New England and Middle Eastern States farm income amounts, on the average, to only 2 percent of total income, so the 1949 drop in agricultural income had little effect on the movement of aggregate income payments. But in a number of Northwestern, Central, and Southeastern States, where the direct proportion of income payments in 1948 accounted for by agriculture varied between 25 and 50 percent, farm income was reduced by one-third to one-half and materially depressed the general income stream. These States are North Dakota, South Dakota, Nebraska, Montana, Minnesota, Iowa, Mississippi, and Arkansas. In the Southwestern States, the role of agriculture was unique in that it contributed to total-income expansion from 1948 to 1949.

The foregoing summary is intended simply as part explanation and documentation of the most important aspect of the 1948-49 changes in State income payments: the marked differences between movements in total income and nonfarm income. As shown in the chart, these movements were significantly different in all regions except New England and the Middle East.

\* Net income of farm proprietors (the major component of total agricultural income) is derived by deducting farmers' production expenses from their gross income. Since a measure of current income, not net receipts, is desired, gross income includes an adjustment (plus or minus) to cash income for the value of changes in farmers' inventories of crops and livestock. Geographic movements in gross income from current production (the measure obtained by including the value of inventory change) have tended to differ markedly from those in gross cash income, and this was particularly true in recent years. It may be noted that the inventory adjustment in farm income has a general counterpart in nonfarm proprietors' income, the definition of which calls for cost of goods sold—not simply purchases—to be deducted from total receipts to arrive at net income.

In contrast to the general pattern of decline in total income payments, total income from nonfarm sources in 1949 held up on a Nation-wide basis, actually increased in four regions, and declined only 1 percent in the three other regions. The broad maintenance of the flow of nonfarm income throughout the Nation last year is further attested by the fact that in 43 States the 1949 total was within 2 percent of, or actually exceeded, the 1948 record highs.

This important generalization concerning the over-all performance of the nonfarm economy is based on national, region-wide, and State-wide data summarizing the varied movements of income payments from many different sources. It will be recognized that the data consequently do not reveal the severe effect of last year's business downturn in specific local areas and on certain income groups.

### Changes in private nonagricultural income

The major part of geographic differences in income movements from 1948 to 1949 stemmed from agriculture, but there was considerable irregularity also in the flow of government income payments (the total of wages and salaries, interest, social insurance benefits, and other types of income disbursements to individuals by Federal, State, and local agencies). Particular reference should be made to the irregularity stemming from disbursements in a number of States in either 1948 or 1949 of State government bonuses to veterans of World War II. Such disbursements account for the large increases in government income payments shown for Delaware, Louisiana, Iowa, North Dakota, and South Dakota and the decline, or smallness of increase, in New York, Illinois, and Ohio.

Because of the considerable irregularity characterizing geographic movements in farm income and government income payments, private nonagricultural income is one of the most significant available measures of changes in regional economic activity. It eliminates from total income the direct effects of such random, short-run influences as weather, sharp variations in farm prices, and disbursements of veterans' bonuses. These tend to obscure developments occurring in the private nonfarm economies of the States and regions.

As shown in table 2, total income from private nonagricultural sources increased 1 percent from 1948 to 1949 in the Northwest and was stable in the Southwest, but went down in the other five regions. Declines were as much as 3 percent in the Central States and 4 percent in New England.

These differences, together with the wider variations obtaining on a State basis, reflect chiefly the uneven geographic impact in 1949 of reduced manufacturing activity. In New England, where private nonfarm income declined in all six States more than nationally, manufacturing payrolls constituted 32 percent of all income in 1948 and dropped 11 percent last year. These percentages were the largest of any region. In the Central region, the decline in factory payrolls, 6 percent, was no larger than average but, again, manufacturing is relatively large as a source of income. In the Northwest and Southwest factory payrolls actually increased from 1948 to 1949. Even had they declined, however, in conformity with the national pattern, the effect would have been relatively small since manufacturing is only two-fifths as important a source of income in these areas as in the country at large.

PER CAPITA INCOME PAYMENTS  
TO INDIVIDUALS, 1949

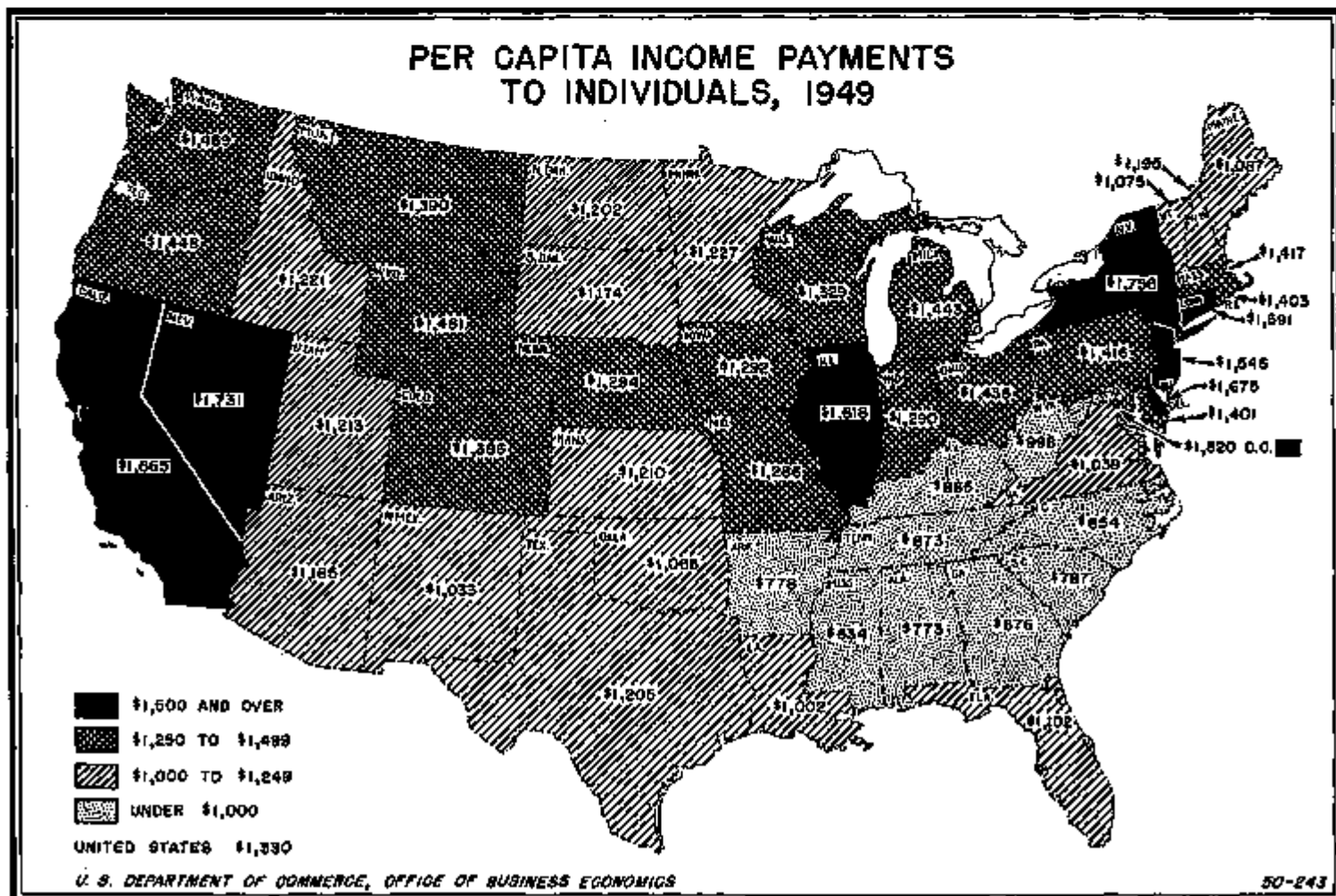


Table 1.—Percent Distribution of, and Relative Changes in, Total Income Payments, by States and Regions, Selected years, 1929-49<sup>1</sup>

State and region	Percent distribution								Percent change					
	1929	1940	1944	1945	1946	1947	1948	1949	1929 to 1949	1940 to 1949	1944 to 1949	1945 to 1949	1946 to 1949	1947 to 1949
Continental United States	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	+129	+180	+129	+135	+139	+142
New England	6.22	5.07	4.99	4.94	5.02	5.02	5.05	4.87	-1.35	-1.18	-1.24	-1.22	-1.25	-1.25
Connecticut	1.77	1.57	1.75	1.60	1.64	1.60	1.53	1.53	-0.24	-0.04	+0.14	+0.14	+0.14	+0.14
Maine	0.04	0.07	0.07	0.05	0.04	0.03	0.03	0.01	-0.03	-0.06	-0.04	-0.04	-0.04	-0.04
Massachusetts	4.08	4.20	3.85	3.57	3.82	3.48	3.41	3.40	-0.68	-0.80	-0.77	-0.77	-0.77	-0.77
New Hampshire	0.37	0.35	0.28	0.30	0.32	0.32	0.21	0.21	-0.16	-0.14	-0.14	-0.14	-0.14	-0.14
Rhode Island	0.70	0.67	0.63	0.51	0.58	0.58	0.47	0.47	-0.23	-0.20	-0.20	-0.20	-0.20	-0.20
Vermont	0.29	0.26	0.28	0.21	0.22	0.22	0.21	0.20	-0.09	-0.08	-0.08	-0.08	-0.08	-0.08
Middle East	33.78	32.05	27.08	27.08	29.31	27.50	27.65	27.99	-0.99	+127	+129	+134	+139	+142
Delaware	0.28	0.31	0.28	0.25	0.28	0.25	0.25	0.27	+0.01	+0.01	+0.01	+0.01	+0.01	+0.01
District of Columbia	1.77	1.19	0.98	1.03	1.01	0.94	0.90	0.97	-0.80	-0.82	-0.82	-0.82	-0.82	-0.82
Maryland	1.34	1.01	1.00	1.01	1.05	1.04	1.02	1.00	-0.34	-0.34	-0.34	-0.34	-0.34	-0.34
New Jersey	8.06	4.14	3.81	3.09	3.67	3.63	3.48	3.55	-4.51	-4.51	-4.51	-4.51	-4.51	-4.51
New York	17.43	15.00	12.73	13.13	13.51	13.23	12.10	13.33	-4.10	-4.23	-4.23	-4.23	-4.23	-4.23
Pennsylvania	8.58	8.21	7.31	7.38	7.37	7.30	7.21	7.33	-0.25	-0.32	-0.32	-0.32	-0.32	-0.32
West Virginia	0.90	1.00	0.90	0.90	0.90	1.02	1.03	0.98	+0.08	+0.03	+0.03	+0.03	+0.03	+0.03
Southeast	16.43	11.93	14.28	14.41	15.00	14.75	13.75	13.71	-2.72	+200	+24	+44	+49	+51
Alabama	0.07	1.01	1.29	1.31	1.22	1.24	1.23	1.17	+1.10	+208	+17	+17	+17	+17
Arkansas	0.08	0.96	0.70	0.75	0.70	0.74	0.79	0.75	+0.67	+157	+24	+47	+16	+16
Florida	0.24	1.19	1.09	1.00	1.49	1.43	1.30	1.49	+1.25	+225	+21	+18	+18	+18
Georgia	1.18	1.30	1.58	1.58	1.63	1.62	1.45	1.45	+0.27	+107	+21	+12	+12	+12
Kentucky	1.17	1.15	1.20	1.25	1.25	1.24	1.27	1.26	+0.09	+181	+35	+13	+13	+13
Louisiana	1.04	1.12	1.43	1.28	1.10	1.20	1.25	1.34	+0.30	+203	+29	+20	+12	+12
Mississippi	0.06	0.68	0.80	0.78	0.74	0.74	0.70	0.67	+0.61	+197	+19	+10	+11	+11
North Carolina	1.17	1.49	1.05	1.00	1.70	1.74	1.70	1.70	+0.53	+247	+45	+11	+11	+11
South Carolina	0.03	0.72	0.84	0.84	0.85	0.91	0.83	0.80	+0.77	+191	+18	+12	+11	+11
Tennessee	1.10	1.22	1.62	1.60	1.49	1.45	1.40	1.46	+0.36	+206	+25	+12	+12	+12
Virginia	1.19	1.49	1.78	1.70	1.60	1.61	1.00	1.03	+0.84	+180	+22	+14	+14	+14
Southwest	5.03	5.15	6.21	6.09	5.93	6.22	6.16	6.41	+1.38	+254	+37	+29	+48	+48
Arizona	0.30	0.31	0.39	0.38	0.38	0.39	0.41	0.42	+0.12	+242	+42	+30	+18	+18
New Mexico	0.30	0.28	0.28	0.29	0.29	0.30	0.30	0.34	+0.04	+253	+66	+10	+10	+10
Oklahoma	1.21	1.09	1.21	1.17	1.13	1.15	1.14	1.16	+0.05	+177	+21	+19	+19	+19
Texas	3.23	3.50	4.33	4.25	4.13	4.38	4.51	4.69	+1.46	+249	+38	+31	+47	+47
Central	20.32	28.64	27.55	27.65	28.06	28.36	29.29	28.49	+8.17	+138	+32	+17	+12	+12
Illinois	8.52	7.37	6.72	6.90	7.11	7.16	7.41	7.14	+0.62	+100	+16	+16	+16	+16
Indiana	2.27	2.45	2.58	2.62	2.73	2.68	2.65	2.65	+0.38	+172	+17	+18	+18	+18
Iowa	1.03	1.05	1.51	1.80	1.74	1.65	1.87	1.07	+0.04	+145	+42	+11	+11	+11
Michigan	4.29	4.61	4.73	4.28	4.35	4.61	4.22	4.08	+0.79	+154	+21	+20	+17	+17
Minnesota	1.75	1.81	1.00	1.72	1.84	1.85	1.92	1.82	+0.07	+182	+15	+13	+13	+13
Missouri	2.07	2.62	2.20	2.44	2.50	2.43	2.58	2.56	+0.49	+124	+14	+16	+14	+14
Ohio	5.05	5.86	5.85	5.80	5.89	5.80	5.85	5.79	+0.74	+133	+17	+18	+18	+18
Wisconsin	2.24	2.14	2.17	2.22	2.24	2.29	2.28	2.28	+0.04	+146	+17	+19	+19	+19
Northwest	4.75	4.44	4.96	4.69	4.95	5.30	5.28	4.38	+0.63	+150	+18	+18	+18	+18
Colorado	0.77	0.78	0.75	0.81	0.81	0.86	0.85	0.86	+0.09	+100	+17	+16	+16	+16
Idaho	0.28	0.31	0.35	0.44	0.34	0.36	0.36	0.36	+0.08	+207	+32	+10	+10	+10
Kansas	1.20	1.00	1.33	1.22	1.17	1.29	1.17	1.16	+0.01	+130	+15	+15	+15	+15
Montana	0.36	0.43	0.30	0.37	0.39	0.32	0.44	0.40	+0.04	+142	+14	+18	+18	+18
Nebraska	0.02	0.74	0.88	0.87	0.96	0.84	0.91	0.84	+0.82	+186	+11	+12	+12	+12
North Dakota	0.22	0.31	0.37	0.37	0.35	0.47	0.43	0.30	+0.08	+197	+25	+14	+14	+14
South Dakota	0.25	0.32	0.37	0.40	0.40	0.42	0.49	0.37	+0.12	+155	+25	+19	+19	+19
Utah	0.42	0.34	0.42	0.42	0.41	0.41	0.40	0.41	+0.01	+203	+21	+18	+18	+18
Wyoming	0.10	0.20	0.18	0.18	0.19	0.20	0.21	0.21	+0.11	+177	+54	+27	+11	+11
Far West	5.47	9.79	12.36	12.08	11.99	11.80	11.38	11.60	+6.13	+227	+21	+19	+18	+18
California	0.31	7.30	8.80	8.83	8.98	8.00	8.40	8.01	+7.70	+231	+24	+12	+12	+12
Nevada	0.09	0.12	0.14	0.14	0.14	0.14	0.14	0.14	+0.05	+234	+30	+18	+18	+18
Oregon	0.73	0.89	1.00	1.00	1.04	1.08	1.08	1.00	+0.27	+247	+25	+17	+17	+17
Washington	1.84	1.46	2.11	1.97	1.84	1.78	1.75	1.79	+0.05	+220	+21	+12	+12	+12

<sup>1</sup> Computed from data shown in table 7.

Source: U. S. Department of Commerce, Office of Business Economics.

A striking feature of the geographic flow of income payments in 1949 was that in all States and regions income from trade and service activities was maintained near the record 1948 levels. This is further evidence that regionally, as well as nationally, reduced economic activity in 1949 was confined to a few industrial sectors.

### Shifts in the regional income distribution

Data shown in tables 1 and 3 afford comparisons of State and regional income payments in 1949 with those in earlier periods. Three years which provide particularly significant bases for comparison are 1929, 1940, and 1948.

### Long-term trends, 1929-49

Changes in the geographic distribution of income from 1929 to 1949—two prosperous, peacetime years spanning a two-decade period—provide measures of the long-term tendency for income payments in the various States and regions to grow or decline in relation to the Nation. Table 6 contains formal trend measures of this sort. It is intended for use in conjunction with the September 1948 Survey of Current

Business article on Regional Trends in Income Payments, which presented and analyzed trend measures based on a comparison of estimates for 1929 and 1947.<sup>2</sup>

From 1929 to 1949 there was a pronounced relative shift of income from the New England and Middle Eastern States to the South and West. The share of the Nation's total income payments to individuals received by the New England and Middle Eastern regions declined from 42 percent in 1929 to 35 percent in 1949. The proportion of all income received by the Southeast, Southwest, Northwest, and Far West increased from 29 to 37 percent. The share of the populous Central region changed little, from 29 to 28 percent.

As compared with the Nation-wide increase of 139 percent in the dollar volume of individual incomes from 1929 to 1949, there were expansions of 227 percent in the Far West, 215 percent in the Southwest, 212 percent in the Southeast, and 150 percent in the Northwest. The combined rate for

<sup>2</sup> The trend picture is not significantly changed through use of the 1948 data, but probably is somewhat improved for a number of the predominantly agricultural States. As noted in the September 1948 article, the measurement of income trends for farm States by the method proposed is subject to considerable qualification. The volatility of farm income statements from large short-term fluctuations in price and output renders the use of two single-year reference points an uncertain procedure. However, 1949 probably was a better year for this purpose than 1947, when there was a short corn crop and bumper wheat crop and farm prices generally were exceptionally high.

Table 2.—Percent Changes, 1943 to 1949, in Total Income Payments and Selected Components, by States and Regions

State and region	Total income payments	Agricultural income	Non-agricultural income	Government income payments	Private non-agricultural income	Trade and service income	Manufacturing pay rolls
Continental United States.....	-2	-22	0	+19	-2	-1	-6
New England.....	-1	-15	-1	+16	-4	4	-11
Connecticut.....	-3	-5	-3	+17	-6	0	-14
Maine.....	-5	-19	-4	+7	-6	-3	-10
Massachusetts.....	0	-13	0	+16	-3	0	-8
New Hampshire.....	-2	-8	-2	+14	-1	-3	-11
Rhode Island.....	-2	-13	-2	+16	-4	-3	-12
Vermont.....	-5	-27	-2	+12	-1	-2	-12
Middle East.....	-1	-18	-1	+7	-2	4	-6
Delaware.....	+6	-9	+0	+24	+5	+2	+7
Dist. of Columbia.....	+5	-	+5	+7	+4	+3	+5
Maryland.....	0	-0	+1	+17	-2	-1	-6
New Jersey.....	0	-14	0	+12	-2	+1	-6
New York.....	-1	-24	-1	+2	-1	0	-5
Pennsylvania.....	-2	-17	-2	+12	-4	0	-7
West Virginia.....	-8	-10	-7	+14	-10	-2	-7
Southeast.....	-1	-21	+1	+13	-2	-1	-5
Alabama.....	-7	-20	-3	+8	-5	-2	-9
Arkansas.....	-10	-21	+1	+11	-2	-1	-5
Florida.....	+5	+37	+3	+11	0	0	-8
Georgia.....	-2	-20	+1	+14	-2	-2	-4
Kentucky.....	-1	-18	-1	+11	-4	-1	-2
Louisiana.....	+5	-15	+8	+35	+2	+2	-7
Mississippi.....	-14	-41	+1	+10	-2	-2	-12
North Carolina.....	-1	-10	+1	+14	-2	0	-6
South Carolina.....	-10	-28	-1	+5	-3	-1	-5
Tennessee.....	-3	-10	0	+10	-3	0	-5
Virginia.....	-1	-21	+2	+18	-1	-1	-2
Southwest.....	+5	+17	+3	+12	0	8	+1
Arizona.....	0	+5	-1	+10	-4	-4	-3
New Mexico.....	+8	+12	+8	+14	+0	0	+9
Oklahoma.....	0	-12	+3	+10	+1	-3	-2
Texas.....	+8	+28	+3	+13	0	+1	+2
Central.....	-4	-32	-1	+5	-3	-2	-6
Illinois.....	-5	-35	-3	-2	-3	-2	-8
Indiana.....	-10	-33	-1	+16	-3	-2	-6
Iowa.....	-15	-39	+1	+25	0	-1	0
Michigan.....	-1	-19	-1	+11	-2	-3	-8
Minnesota.....	-1	-25	+1	+12	-1	-1	-2
Missouri.....	-1	-28	+1	+8	0	-1	-1
Ohio.....	-1	-28	-3	0	0	-1	-7
Wisconsin.....	-5	-20	0	+12	-2	-1	-7
Northwest.....	-7	-33	+4	+12	+1	-1	+5
Colorado.....	-2	-17	+2	+9	-2	-2	-3
Idaho.....	-1	-15	-4	+11	+3	-2	+2
Kansas.....	-1	-24	+4	+12	-2	-1	+7
Montana.....	-12	-44	+5	+12	+1	+2	+2
Nebraska.....	-11	-54	+2	+6	+1	-2	+1
North Dakota.....	-15	-45	+10	+21	+1	0	-1
South Dakota.....	-22	-48	+6	+21	+2	0	-1
Utah.....	+1	-6	+2	+6	+1	+1	+5
Wyoming.....	+1	-6	+1	+14	+2	+3	+2
Far West.....	0	-15	+1	+15	-2	-2	-2
California.....	0	-11	+1	+14	-1	-2	-2
Nevada.....	-1	-12	+1	+10	-1	-1	-9
Oregon.....	-2	-22	0	+10	-2	-2	-8
Washington.....	0	-24	+2	+18	-2	-1	-3

<sup>1</sup> Consists of net income of farm proprietors (including value of change in inventories of crops and livestock), farm wages, and net rents to landlords living on farms.

<sup>2</sup> Consists of pay of State and local and of Federal civilian employees, net pay of the armed forces, family allowance payments to dependents of enlisted military personnel, voluntary allotments of military pay to individuals, monitoring-out payments to discharged servicemen, veterans' benefit payments (consisting of pensions and disability compensation), readjustment allowances, self-employment allowances, cash subsistence allowances, State government bonuses to veterans of World War II, cash terminal leave payments and readjustment of terminal leave bonds, adjusted compensation benefits, military retirement payments, and interest payments by Government on veterans' loans, interest payments to individuals, public assistance and other direct relief, and benefit payments from social insurance funds.

<sup>3</sup> Consists of total income payments minus agricultural income and Government business payments.

<sup>4</sup> Consists of wages and salaries and proprietors' income.

Source: U. S. Department of Commerce, Office of Business Economics.

these four regions of the South and West, 207 percent, was twice as large as the increases recorded for the Middle East and New England—99 and 95 percent, respectively.

In dollar volume, income payments in the 2 Northeastern regions increased from 35 billions in 1929 to 69 billions in 1949. For the 4 Southern and Western regions the increase over this period was from 24 billions to 73 billions.

Despite the long-term relative downtrends of income payments in the Middle East and New England, these two populous, high average-income areas still accounted for more than one-third of the Nation's total income in 1949. The relative income declines of these two areas, it should be

noted, reflect in large measure the industrial, commercial, and population growth of the newer and less developed parts of the country. A tapering in this rate of growth would make the forces underlying the relative shift of income to the South and West less strong in the future than they were in the past.

Three characteristics of the regional income trends furnish evidences of their underlying strength and pattern.

(1) The regional trends exhibit pervasiveness, in the sense that there has been a strong tendency for the direction of trends in individual States to correspond with that for the particular region in which they are located. The regional trends are not merely a conglomerate averaging of differing State trends.

(2) The regional trends observed by comparing the 1929 and 1949 income distributions developed and prevailed over the two periods 1929-40 and 1940-49. Continuity of pattern between these two fundamentally different periods is clearly evidenced.

(3) Analysis of the main industrial sources of the relative gains or declines in regional incomes shows that manufac-

Table 3.—Percent Changes, 1946 to 1949, in Total Income Payments and Selected Components, by States and Regions

State and region	Total income payments	Agricultural income	Non-agricultural income	Government income payments	Private non-agricultural income	Trade and service income	Manufacturing pay rolls
Continental United States.....	+16	-5	+12	+14	+20	+18	+28
New England.....	+12	-5	+12	+11	+13	+18	+7
Connecticut.....	+14	+0	+15	+23	+13	+15	+4
Maine.....	+0	+0	+9	+5	+10	+11	+1
Massachusetts.....	+11	-12	+12	+7	+13	+16	+0
New Hampshire.....	+14	-7	+12	+20	+14	+18	+8
Rhode Island.....	+12	-7	+12	+10	+11	+14	+8
Vermont.....	+8	-23	+13	+20	+11	+15	+3
Middle East.....	+14	-17	+15	+6	+17	+17	+15
Delaware.....	+25	-1	+27	+13	+29	+18	+30
Dist. of Columbia.....	+11	-12	+11	+2	+20	+19	+29
Maryland.....	+10	-12	+14	+2	+17	+14	+10
New Jersey.....	+13	-14	+14	+3	+15	+25	+13
New York.....	+14	-24	+15	+15	+15	+16	+11
Pennsylvania.....	+15	-13	+16	+1	+10	+17	+21
West Virginia.....	+17	-15	+20	+2	+23	+22	+28
Southeast.....	+14	-6	+18	+8	+21	+16	+26
Alabama.....	+11	-4	+13	0	+17	+13	+25
Arkansas.....	+7	-2	+18	-1	+14	+8	+23
Florida.....	+15	-1	+18	+7	+21	+17	+14
Georgia.....	+13	-5	+16	+7	+18	+14	+23
Kentucky.....	+15	-0	+20	+7	+24	+19	+34
Louisiana.....	+20	+23	+31	+37	+20	+17	+38
Mississippi.....	+10	+17	+7	0	+11	+7	0
North Carolina.....	+11	-18	+20	+8	+23	+19	+27
South Carolina.....	+12	-27	+21	+7	+27	+17	+33
Tennessee.....	+12	-5	+10	+10	+18	+10	+18
Virginia.....	+14	-17	+17	+4	+22	+17	+32
Southwest.....	+25	+55	+25	+10	+29	+18	+41
Arizona.....	+30	+87	+25	+24	+35	+17	+45
New Mexico.....	+30	+61	+33	+21	+35	+25	+14
Oklahoma.....	+19	+11	+23	+10	+25	+11	+34
Texas.....	+31	+71	+25	+8	+29	+10	+43
Central.....	+17	-11	+28	+22	+25	+17	+25
Illinois.....	+18	-11	+16	+9	+20	+18	+19
Indiana.....	+18	-8	+21	+8	+24	+15	+32
Iowa.....	+31	-17	+28	+31	+25	+20	+41
Michigan.....	+20	-18	+22	+0	+24	+16	+21
Minnesota.....	+14	-11	+21	+15	+21	+17	+28
Missouri.....	+16	-0	+19	+3	+23	+15	+36
Ohio.....	+18	-10	+19	+14	+30	+18	+20
Wisconsin.....	+18	-12	+23	+16	+24	+17	+27
Northwest.....	+20	-7	+28	+15	+28	+19	+40
Colorado.....	+23	+32	+24	+18	+25	+21	+30
Idaho.....	+16	-1	+25	+11	+29	+14	+48
Kansas.....	+15	-7	+21	+8	+25	+16	+41
Montana.....	+18	-14	+32	+21	+35	+27	+44
Nebraska.....	+13	-0	+26	+8	+23	+15	+31
North Dakota.....	+14	-10	+26	+15	+28	+25	+42
South Dakota.....	+9	-21	+34	+33	+24	+25	+45
Utah.....	+19	+5	+31	+3	+30	+10	+68
Wyoming.....	+27	-5	+30	+42	+38	+38	+45
Far West.....	+13	-22	+17	+18	+18	+9	+31
California.....	+13	-22	+16	+20	+15	+8	+10
Nevada.....	+18	+38	+16	+12	+14	+14	+25
Oregon.....	+18	-18	+23	+25	+22	+16	+30
Washington.....	+13	-28	+18	+8	+21	+10	+27

<sup>1</sup> For definitions see footnotes to table 2.

Source: U. S. Department of Commerce, Office of Business Economics.

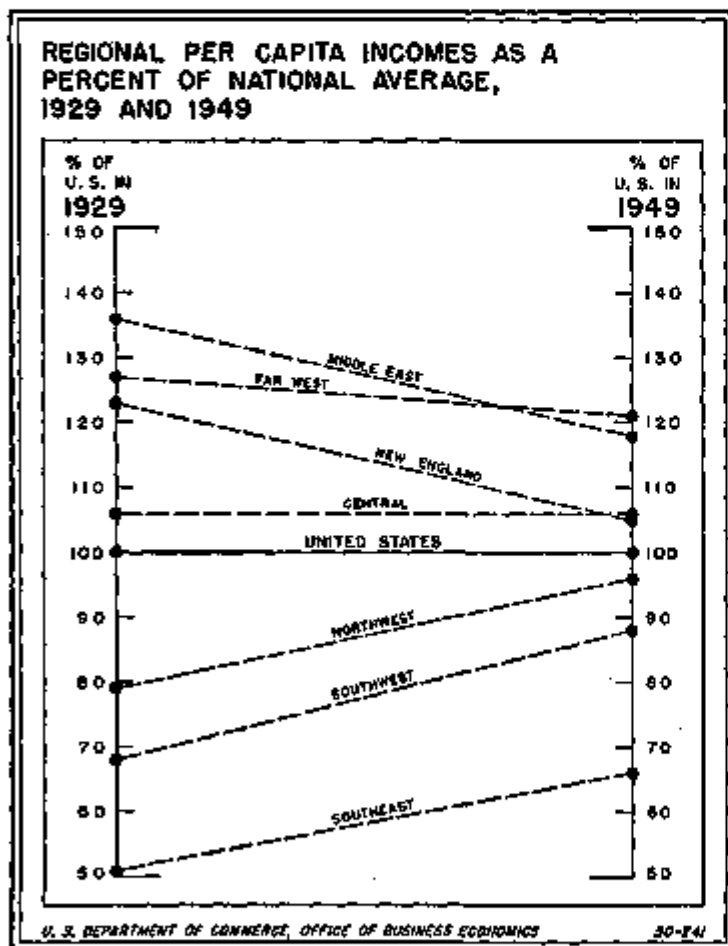


turing, agriculture, trade and service, and government have each contributed materially to the regional shifts in total income since 1929. The broad regional income trends thus stem both from governmental flows and from developments in the major industrial segments of the private economy.

### Shifts since prewar 1940

As mentioned in the preceding section, the pattern of shifts in the geographic distribution of income from 1940 to 1949 was in general conformity with that over the longer span since 1929.

From 1940 to 1949 total income payments in the continental United States increased 160 percent, from \$76 billion to \$198 billion. The largest relative expansions among the regions occurred in the Southwest (234 percent), Far West (208 percent), Southeast (200 percent), and Northwest (192 percent). The smallest increases were in the Middle East (127 percent) and New England (118 percent). The 159 percent rise recorded for the Central States was in line with the tendency for the longer-run course of income payments in this region to follow national movements closely.



State income changes from 1940 to 1949 were strikingly similar to the pattern of regional changes. Of the 28 States in the 4 Southern and Western regions, all but Montana in the Northwest scored percentage increases in total income payments from 1940 to 1949 exceeding the national average. Similarly, in all New England and Middle Eastern States the income rise was of less-than-average proportions (though by only a small margin in Maryland and West Virginia). And most Central States experienced 1940-49 income gains (ranging from 177 percent in Wisconsin to 146 percent in Illinois) roughly similar to the Nation-wide rise of 160 percent.

### Regional Incomes in the Postwar Period

Geographic income changes in the postwar period assume added interest when viewed against the summary background of the pronounced shifts which have occurred since 1929 and 1940. This is true even though the postwar changes cannot qualify as measures of trend and have limited significance in that connection. The income data over the short period from 1946 to 1949 are too affected by random, temporary influences to furnish much of a gauge as to the long-run trends of State and regional income payments.

Data for the comparative analysis of State income payments in 1946 and 1949 are given in table 3. Examination of these data discloses rather distinct regional patterns, particularly when attention is focused on the major components of total income. In general, as outlined below, it would appear that the below-average rise of income payments in the Far West was the major divergence of regional postwar income movements from long-run trends.

### New England

In all three major income aggregates—total income payments, nonagricultural income, and private nonagricultural income—every New England State experienced a below-average rate of increase over the postwar period from 1946 to 1949. Chiefly responsible was the region's relative lag in manufacturing. It characterized all six States during the boom years 1947 and 1948 but was particularly pronounced in 1949.

Factory payrolls were reduced 8 percent last year in Massachusetts, as compared with 6 percent on a national basis. The 10-14 percent reductions in factory payrolls sustained by the other New England States were the largest in the country except for Mississippi's decline of 12 percent.

In only 5 of 20 principal types of manufactures did New England better the national record from 1948 to 1949 (as measured by comparative percentage changes in factory payrolls). Payrolls in the area's largest industry, textiles, dropped 17 percent last year. This industry contributed 19 percent of all factory payrolls in the area in 1948, with the percentage running as high as 30 in New Hampshire and 44 in Rhode Island. In Connecticut, which places the least dependence of any New England State on textiles, payrolls in the 4 industry groups manufacturing machinery and metal products—constituting half the total—fell by percentages ranging from 11 to 19.

Since the summer of 1949 the manufacturing situation in New England has improved appreciably. In June of the current year total factory employment in the region, though still 10 percent below the fall 1948 peak, was up 5 percent over June 1949. This increase was about the same as that for the Nation.

### Middle East

Over the course of the 1946-49 period, total income payments in the Middle Eastern region rose 14 percent, as compared with the Nation-wide advance of 16 percent. The region's increases in nonagricultural income and private nonagricultural income also were somewhat below average. The Middle East's performance in the postwar period, therefore, was in general conformity with the longer run tendency for the area not to share proportionately in Nation-wide income growth.

Numerous factors underlay the postwar over-all record of this large and heterogeneous area. The most important would appear to be its comparatively small expansion in manufactures. This, however, was confined to New York, New Jersey, and Maryland.

Warranting special note is the fact that in Delaware, the

District of Columbia, and West Virginia income experience in 1947 and 1948 differed markedly from that in 1949.

1. Delaware's 20-percent income rise in the earlier postwar period closely paralleled that for the Nation. In 1949, however, income payments in the State moved up 5 percent, in contrast to the small decline nationally. This differential movement stemmed largely from a 10-percent rise in Delaware of payrolls in the chemicals industry, which makes up half of the State's manufacturing total.

2. From 1946 to 1948 income payments in the District of Columbia went up by 8 percent—the smallest increase in the country. Government payrolls, which account directly for two-fifths of the District's total income, were stable over this period. In 1949 government payrolls in the District advanced 7 percent, and total income 5 percent.

3. In West Virginia, income payments increased 31 percent from 1946 to 1948 but declined 8 percent in 1949. These larger-than-average movements stemmed mainly from fluctuations of payrolls in the State's important coal-mining industry.

Table 4.—Differentials and Relative Changes in Per Capita Income Payments, by States and Regions, Selected Years, 1929-49<sup>1</sup>

State and region	Percent of national per capita income								Percent change		
	1929	1940	1944	1945	1946	1947	1948	1949	1940 to 1929	1946 to 1940	1948 to 1949
<b>Continental United States..</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>+131</b>	<b>+36</b>	<b>-4</b>
<b>New England..</b>	<b>123</b>	<b>120</b>	<b>112</b>	<b>110</b>	<b>108</b>	<b>108</b>	<b>106</b>	<b>105</b>	<b>+22</b>	<b>+8</b>	<b>-4</b>
Connecticut.....	136	144	122	126	121	123	121	120	+172	+8	-6
Maine.....	83	87	90	87	90	86	84	82	+118	-4	-6
Massachusetts.....	132	134	112	112	111	109	106	107	+85	-5	-3
New Hampshire.....	90	98	90	92	92	89	90	90	+112	-7	-2
Rhode Island.....	125	126	114	108	106	104	103	106	+85	-9	-2
Vermont.....	88	90	82	84	86	84	83	81	+107	-3	-7
<b>Middle East..</b>	<b>126</b>	<b>131</b>	<b>127</b>	<b>119</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>118</b>	<b>+108</b>	<b>+9</b>	<b>-3</b>
Delaware.....	135	164	121	117	120	118	117	123	+89	+10	+4
District of Columbia.....	175	180	111	115	128	124	124	137	+67	+17	+6
Maryland.....	103	103	110	112	109	107	108	107	+67	+6	-6
New Jersey.....	130	140	124	123	119	118	116	118	+102	-7	-3
New York.....	105	140	133	135	134	130	130	132	+103	-6	-2
Pennsylvania.....	113	169	104	104	105	104	105	105	+121	+11	-3
West Virginia.....	98	69	60	74	73	77	78	76	+151	+13	-8
<b>Southeast..</b>	<b>81</b>	<b>86</b>	<b>66</b>	<b>68</b>	<b>67</b>	<b>67</b>	<b>67</b>	<b>64</b>	<b>+174</b>	<b>+9</b>	<b>-4</b>
Alabama.....	46	47	61	62	60	61	60	68	+186	+8	-7
Arkansas.....	46	44	63	50	60	58	62	66	+206	+17	+10
Florida.....	71	82	87	89	80	85	81	83	+134	+2	-2
Georgia.....	48	55	66	65	66	67	66	68	+178	+10	-6
Kentucky.....	65	54	60	65	64	64	66	66	+112	+12	-6
Louisiana.....	61	62	71	70	66	67	69	75	+180	+27	+4
Mississippi.....	40	35	40	50	49	42	54	48	+112	+5	-10
North Carolina.....	45	55	61	64	66	66	64	64	+170	+7	-4
South Carolina.....	37	50	58	60	61	60	61	60	+173	+7	-7
Tennessee.....	61	50	70	76	68	67	65	60	+176	+6	-4
Virginia.....	63	77	83	82	79	79	78	78	+133	+9	-6
<b>Southwest..</b>	<b>68</b>	<b>69</b>	<b>42</b>	<b>68</b>	<b>74</b>	<b>63</b>	<b>69</b>	<b>69</b>	<b>+102</b>	<b>+23</b>	<b>+6</b>
Arizona.....	84	81	85	89	87	87	85	88	+149	+10	-1
New Mexico.....	66	62	60	71	70	73	72	78	+102	+21	+4
Oklahoma.....	67	69	78	72	70	74	75	80	+100	+28	+3
Texas.....	68	73	84	83	80	86	82	91	+102	+24	+6
<b>Central..</b>	<b>106</b>	<b>106</b>	<b>108</b>	<b>106</b>	<b>105</b>	<b>104</b>	<b>109</b>	<b>106</b>	<b>+134</b>	<b>+11</b>	<b>-6</b>
Illinois.....	137	120	110	110	121	118	124	122	+123	+13	-6
Indiana.....	80	84	101	102	98	98	100	97	+138	+11	-7
Iowa.....	80	84	88	90	90	89	100	97	+109	+7	-14
Michigan.....	110	113	175	167	105	110	108	108	+122	+13	-3
Minnesota.....	83	85	84	89	93	93	97	92	+141	+8	-8
Missouri.....	90	88	86	91	94	91	97	97	+155	+13	-4
Ohio.....	110	112	171	160	107	108	113	108	+173	+11	-6
Wisconsin.....	88	90	97	100	96	100	101	100	+156	+10	-6
<b>Northwest..</b>	<b>79</b>	<b>79</b>	<b>94</b>	<b>90</b>	<b>95</b>	<b>102</b>	<b>102</b>	<b>94</b>	<b>+161</b>	<b>+18</b>	<b>-10</b>
Colorado.....	91	90	88	98	96	110	105	104	+108	+17	-6
Idaho.....	70	70	86	93	98	101	98	93	+178	+7	-8
Kansas.....	78	73	97	98	98	98	92	91	+187	+13	-5
Montana.....	89	100	184	107	111	123	122	108	+143	+3	-19
Nebraska.....	82	75	90	90	96	95	100	87	+199	+11	-12
North Dakota.....	67	68	93	91	96	123	110	90	+224	+6	-21
South Dakota.....	61	60	90	97	90	102	118	88	+210	-2	-20
Utah.....	79	83	91	91	88	91	88	91	+164	+14	-1
Wyoming.....	101	103	92	90	105	111	108	111	+160	+17	-1
<b>Pac West..</b>	<b>127</b>	<b>136</b>	<b>132</b>	<b>128</b>	<b>130</b>	<b>127</b>	<b>120</b>	<b>121</b>	<b>+116</b>	<b>+3</b>	<b>-4</b>
California.....	129	140	135	127	136	123	120	125	+108	+11	-4
Nevada.....	120	143	123	131	143	140	116	130	+131	0	+9
Oregon.....	92	100	118	117	117	117	113	100	+152	+2	-7
Washington.....	146	100	131	118	106	108	104	110	+131	+11	+2

<sup>1</sup> Computed from data shown in table 2.

Source: U. S. Department of Commerce, Office of Business Economics.

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Table 5.—Major Sources of Income Payments in Each State and Region: Selected Components as a Percent of Total Income, 1949

State and region	Agricultural income <sup>1</sup>	Government income payments <sup>1</sup>	Manufacturing payrolls	Trade and service income <sup>1</sup>	All other income
<b>Continental United States..</b>	<b>8.0</b>	<b>15.6</b>	<b>22.1</b>	<b>24.7</b>	<b>27.4</b>
<b>New England..</b>	<b>2.4</b>	<b>16.8</b>	<b>22.8</b>	<b>21.4</b>	<b>26.8</b>
Connecticut.....	2.3	11.0	33.8	23.3	28.7
Maine.....	8.4	17.1	26.2	24.5	23.8
Massachusetts.....	1.2	17.0	28.2	26.0	26.7
New Hampshire.....	3.0	15.8	28.6	24.9	26.6
Rhode Island.....	7	18.3	32.6	26.9	24.6
Vermont.....	10.4	15.0	21.8	28.6	24.7
<b>Middle East..</b>	<b>2.6</b>	<b>14.9</b>	<b>21.6</b>	<b>26.6</b>	<b>30.0</b>
Delaware.....	8.0	10.4	31.6	21.1	32.0
District of Columbia.....	45.2	3.2	28.6	22.9	20.3
Maryland.....	3.8	18.2	20.3	27.0	30.0
New Jersey.....	2.1	13.4	32.9	25.0	26.6
New York.....	1.5	13.8	22.0	32.3	30.6
Pennsylvania.....	2.3	13.2	20.1	31.2	30.0
West Virginia.....	4.0	13.0	10.5	31.0	40.7
<b>Southeast..</b>	<b>12.6</b>	<b>19.6</b>	<b>16.9</b>	<b>26.6</b>	<b>24.4</b>
Alabama.....	12.6	18.6	20.0	29.0	25.3
Arkansas.....	25.5	18.3	9.9	25.1	21.2
Florida.....	10.0	18.4	1.2	32.4	20.0
Georgia.....	11.8	18.7	18.9	27.6	23.2
Kentucky.....	16.4	17.5	14.0	24.5	28.4
Louisiana.....	10.0	21.2	13.3	28.2	30.3
Mississippi.....	24.4	21.8	10.6	34.7	18.9
North Carolina.....	16.4	10.7	21.0	22.7	19.3
South Carolina.....	13.4	10.0	27.3	22.0	17.1
Tennessee.....	11.8	18.3	30.1	26.0	23.8
Virginia.....	9.1	24.4	10.0	24.3	24.0
<b>Southwest..</b>	<b>17.6</b>	<b>10.7</b>	<b>6.5</b>	<b>25.8</b>	<b>31.3</b>
Arizona.....	13.6	19.7	5.9	23.0	41.2
New Mexico.....	18.3	21.6	3.8	22.0	34.7
Oklahoma.....	15.1	10.9	8.3	21.3	21.5
Texas.....	17.6	10.3	10.0	24.3	31.1
<b>Central..</b>	<b>8.4</b>	<b>12.0</b>	<b>28.4</b>	<b>25.2</b>	<b>26.1</b>
Illinois.....	6.7	12.3	20.6	28.0	29.0
Indiana.....	9.3	12.3	22.7	24.0	31.7
Iowa.....	26.9	14.5	12.3	32.2	22.1
Michigan.....	4.3	12.7	30.3	22.0	30.8
Minnesota.....	10.4	14.7	15.6	26.0	37.4
Missouri.....	12.4	14.0	10.1	28.4	37.1
Ohio.....	4.4	12.8	32.6	21.7	25.6
Wisconsin.....	11.0	12.0	28.6	24.3	23.6
<b>Northwest..</b>	<b>22.1</b>	<b>10.6</b>	<b>8.6</b>	<b>26.8</b>	<b>27.3</b>
Colorado.....	16.0	10.3	8.5	26.0	20.3
Idaho.....	27.4	14.4	8.0	26.0	26.0
Kansas.....	10.0	15.6	11.5	27.7	20.7
Montana.....	22.4	15.6	7.0	24.0	30.2
Nebraska.....	20.3	14.5	8.2	26.3	24.9
North Dakota.....	34.5	17.3	2.3	25.6	26.4
South Dakota.....	33.3	10.8	4.3	25.3	26.3
Utah.....	10.0	20.7	6.9	25.2	28.6
Wyoming.....	20.0	10.3	6.6	23.8	33.4
<b>Pac West..</b>	<b>7.1</b>	<b>18.4</b>	<b>15.3</b>	<b>29.8</b>	<b>29.5</b>
California.....	6.7	18.4	14.4	30.0	30.0
Nevada.....	18.6	12.3	3.6	30.8	30.3
Oregon.....	9.3	12.2	20.1	28.3	27.1
Washington.....	7.3	20.7	17.0	27.2	27.8

<sup>1</sup> For definition see footnotes to table 2.

Source: U. S. Department of Commerce, Office of Business Economics.

## Southeast

In the Southeast, a region of relative uptrend in income payments, the increase in total income from 1946 to 1949 was of somewhat below-average proportion. This is attributable to a reduction in farm income, traceable in large measure to tobacco and cotton. The region's record with respect to incomes flowing from nonfarm sources matched that for the country as a whole.

Particularly noteworthy, however, are the comparatively small increases in nonagricultural income that occurred over the 1946-49 period in Mississippi, Arkansas, and Alabama. The lag in Alabama was the product of developments in 1949, but in Mississippi and Arkansas it covered the entire postwar period. In these three States, postwar increases in income from trade and service activities have fallen far short of those in most other States.

The 1946-49 expansion of factory payrolls in the Southeast markedly exceeded the national rate, with 8 of the 11 States contributing to the region's relative gain. This accorded with the long-term upward trend of manufacturing in this area. Though the Southeast is still not relatively

industrialized, its percentage share of the Nation's factory payrolls was one-third larger in 1949 than in 1929.

### Southwest

The several comprehensive measures of regional economic activity provided in table 3 reveal a postwar record for the Southwest substantially better than that of any other region. The singularly large—29 percent—rise in total income payments in the Southwest from 1946 to 1949 was derived in

Table 6.—Trend Measures of Income Payments, by States and Regions

State and region	Total income payments		Per capita income payments	
	1949 as percent of 1929	Percent change in relative position, 1929 to 1949 <sup>1</sup>	1949 as percent of 1929	Percent change in relative position, 1929 to 1949 <sup>1</sup>
<b>Continental United States</b>	<b>279</b>		<b>196</b>	
<b>New England</b>	<b>195</b>	<b>-12</b>	<b>166</b>	<b>-12</b>
Connecticut	220	-8	173	-11
Maine	224	-4	192	-1
Massachusetts	192	-24	159	-10
New Hampshire	200	-14	182	-4
Rhode Island	192	-19	165	-16
Vermont	186	-23	179	-8
<b>Middle East</b>	<b>109</b>	<b>-17</b>	<b>140</b>	<b>-13</b>
Delaware	248	+4	122	-7
District of Columbia	301	+36	183	-22
Maryland	271	+17	199	+2
New Jersey	216	-16	163	-17
New York	182	-21	156	-20
Pennsylvania	197	-15	182	-4
West Virginia	243	+3	219	+10
<b>Seaboard</b>	<b>312</b>	<b>+30</b>	<b>396</b>	<b>+29</b>
Alabama	268	+21	303	+20
Arkansas	287	+8	255	+20
Florida	424	+77	228	-17
Georgia	300	+28	290	+38
Kentucky	287	+7	283	+18
Louisiana	307	+28	281	+23
Mississippi	242	+1	232	-20
North Carolina	247	+24	220	-12
South Carolina	302	+31	312	+50
Tennessee	316	+32	259	+20
Virginia	320	+30	240	-25
<b>Southwest</b>	<b>315</b>	<b>+22</b>	<b>251</b>	<b>+20</b>
Arizona	342	+43	303	+55
New Mexico	413	+73	270	+30
Oklahoma	212	-11	225	+19
Texas	347	+45	250	+34
<b>Central</b>	<b>212</b>	<b>-3</b>	<b>196</b>	<b>0</b>
Illinois	201	-10	174	-11
Indiana	212	+14	221	+13
Iowa	245	+3	237	+21
Michigan	254	+4	194	-7
Minnesota	250	+4	217	+11
Missouri	229	-1	210	-8
Ohio	333	+3	192	-42
Wisconsin	248	+2	210	-9
<b>Northwest</b>	<b>260</b>	<b>+5</b>	<b>228</b>	<b>+22</b>
Colorado	209	+13	225	+14
Idaho	207	+20	236	+31
Kansas	230	-4	227	+17
Montana	242	+1	231	+19
Nebraska	216	-10	232	+19
North Dakota	288	+11	208	-28
South Dakota	263	+7	232	+41
Utah	303	+7	225	+15
Wyoming	272	+14	216	+10
<b>Far West</b>	<b>337</b>	<b>+37</b>	<b>186</b>	<b>-5</b>
California	326	+36	176	-10
Nevada	374	+40	212	+8
Oregon	247	+13	228	+16
Washington	320	+34	204	+8

<sup>1</sup> Obtained by computing the percent increase or decrease from 1929 to 1949 in the percentage of total income payments in the United States received by each State and region. To avoid appreciable rounding errors for the smallest States, the computations were based on percentages carried to three places beyond the decimal, rather than on the figures shown in table 1. Alternatively, this measure can be computed from the column of data in this table showing total income payments in 1949 as percent of 1929. The percentage for each State and region should be divided by the United States' percentage and 100 subtracted from each of the resulting indexes.

<sup>2</sup> Obtained by computing the percent increase or decrease from 1929 to 1949 in the percentage that each State's and region's per capita income is of the national per capita income (see table 4). Alternatively, this measure can be computed from the column of data in this table showing per capita income in 1949 as percent of 1929. The percentage for each State and region should be divided by the United States' percentage and 100 subtracted from each of the resulting indexes.

Source: U. S. Department of Commerce, Office of Business Economics.

part from an improvement in the cotton situation in the area over the small 1946 crop. However, the flow of income from the nonfarm segment of the Southwest's economy also expanded at distinctly above-average rates in the postwar period.

All four Southwestern States have experienced relatively large postwar advances in income payments. The gain for Oklahoma is of particular interest as marking a continuation of the State's improved showing since 1940. The percentage share of the Nation's income received by Oklahoma declined sharply in the prewar period from 1929 to 1940, was maintained over the 1940-46 period, and increased moderately in the postwar years.

Growth of manufactures in the Southwest—the least industrialized of any region except the Northwest—is probably the key factor underlying its postwar progress. The region's 41-percent increase in factory payrolls from 1946 to 1949 was double the national rate. This gain represented an extension of a top-ranking relative growth in manufactures over the period from 1940 to 1946. According to available factory employment data, the favorable showing by the region has continued into the current year.

### Central States

The 17-percent expansion of total income payments in the Central region from 1946 to 1949 was slightly larger than the Nation-wide average. It was materially dampened, however, by declines in farm income throughout the 8-State area. The 1946-49 increase in nonfarm income in the Central States was relatively large. Particularly to be noted is the 25-percent rise in factory payrolls. This compares with 7 percent for New England and 15 percent for the Middle East, the Nation's 2 other large industrial areas.

In the Central region, which includes both highly industrialized and primarily agricultural States, income payments advanced at above-average rates in both 1947 and 1948. In general, the relatively large rise was derived from manufacturing in 1947 and from agriculture in 1948. Declines in income from these two important sources were responsible for the region's comparatively large (5 percent) downturn in total income payments in 1949.

The effect of last year's decline in income payments in the Central States was thus largely to cancel the relative gains made by the region in the two preceding years. On balance, therefore, income developments in the Central States over the postwar years have been in general accord with the long-term tendency for the region to receive an approximately constant share of the Nation's income.

### Northwest

As pointed out in previous State income reports, the Northwest is the most agricultural of the regions and the one in which farm income is most volatile and movements of total income are most irregular and least subject to pattern.

The region's record in the postwar period supports this generalization. Agricultural income in the Northwest rose 36 percent in 1947 and 2 percent in 1948, and then dropped 33 percent in 1949. Reflecting the dominance of agriculture, total income payments in the region increased 16 percent in 1947 and 8 percent in 1948 but decreased 7 percent last year. Despite the declines, total income and farm income in 1949 were still at comparatively high levels.

The regional data, it should be added, are an averaging of very divergent movements among the individual Northwestern States. These reflect the differing emphasis within the area placed upon wheat, meat animals, and corn as sources of income.



Table 7.—Total Income Payments to Individuals, by States and Regions, 1929-49

(Millions of dollars)

State and region	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949
Continental United States	82,017	73,328	81,371	67,472	48,273	55,938	58,538	68,008	73,211	66,815	70,591	76,682	92,268	117,190	141,831	158,300	167,190	170,302	186,329	202,385	197,531
New England	6,782	6,282	5,023	4,481	4,504	4,570	5,031	5,673	5,908	5,372	5,729	6,124	7,367	8,065	10,218	10,707	10,328	11,631	12,638	13,463	13,217
Connecticut	1,450	1,357	1,178	911	888	1,000	1,090	1,267	1,376	1,192	1,301	1,417	1,837	2,231	2,630	2,607	2,601	2,808	3,129	3,201	3,213
Maine	445	432	381	298	297	323	313	368	408	377	400	421	508	580	672	681	677	721	804	1,058	1,084
Massachusetts	3,787	3,512	3,150	2,666	2,497	2,593	2,737	3,093	3,103	2,929	3,100	3,300	3,816	4,820	5,190	5,438	5,656	6,186	6,445	6,861	6,899
New Hampshire	362	270	269	190	208	226	241	292	273	248	269	300	368	457	407	510	604	694	704	734	721
Rhode Island	670	527	477	385	366	391	426	473	484	417	490	511	651	822	961	972	990	1,082	1,145	1,117	1,117
Vermont	210	105	172	133	121	143	168	180	174	163	174	187	210	244	293	303	332	371	409	421	400
Middle East	27,646	26,602	32,821	17,048	14,377	18,200	19,877	22,448	23,461	31,843	22,782	24,310	23,263	23,418	33,161	42,431	43,968	46,491	47,718	55,005	55,285
Delaware	218	182	167	128	127	147	161	182	205	178	203	220	278	328	331	408	390	439	460	513	541
District of Columbia	638	644	619	540	495	558	601	702	702	781	813	905	1,040	1,300	1,454	1,618	1,617	1,727	1,743	1,925	1,910
Maryland	1,106	1,000	927	749	720	871	1,000	1,067	1,000	1,071	1,222	1,516	2,003	2,419	2,577	2,530	2,723	2,851	3,060	3,081	3,081
New Jersey	3,268	3,081	2,713	2,161	1,953	2,107	2,361	2,600	2,835	2,458	2,589	3,189	3,670	4,672	5,498	5,838	5,707	6,188	6,549	7,068	7,018
New York	14,470	13,340	11,456	8,810	8,059	9,368	9,841	11,246	11,616	10,759	11,101	11,830	13,384	16,310	17,702	19,508	20,047	21,086	24,513	26,340	26,340
Pennsylvania	7,380	6,038	5,583	4,172	4,027	4,627	4,899	5,818	6,174	5,438	5,819	6,225	7,401	8,822	10,377	11,238	11,400	12,593	13,701	14,707	14,463
West Virginia	793	682	680	402	474	580	623	700	773	689	713	760	906	1,091	1,253	1,381	1,407	1,612	1,809	2,000	1,928
Seaboard	6,661	7,127	6,064	4,979	5,134	6,244	6,976	8,132	8,467	7,944	8,414	9,049	11,580	15,582	18,722	21,967	22,002	23,788	25,494	27,829	27,084
Alabama	502	617	612	410	419	532	590	711	711	652	681	763	1,027	1,437	1,912	2,050	2,050	2,083	2,309	2,496	2,413
Arkansas	602	203	232	287	288	312	380	470	470	456	478	493	688	906	1,005	1,101	1,248	1,338	1,379	1,503	1,443
Florida	905	613	540	389	425	610	694	711	723	781	810	900	1,002	1,400	2,118	2,554	2,721	2,854	2,940	3,117	2,948
Georgia	950	792	607	680	580	728	800	907	920	903	904	985	1,211	1,648	2,178	2,420	2,484	2,637	2,817	2,990	2,928
Kentucky	904	791	670	530	634	636	713	817	809	793	880	980	1,015	1,330	1,675	1,839	1,967	2,145	2,206	2,380	2,470
Louisiana	802	725	640	492	487	603	641	719	702	798	828	847	1,008	1,410	1,808	2,013	2,018	2,013	2,200	2,322	2,340
Mississippi	544	353	202	256	250	338	373	463	442	399	436	444	630	880	1,103	1,221	1,291	1,301	1,374	1,531	1,317
North Carolina	900	813	600	376	677	816	915	1,068	1,077	1,011	1,003	1,131	1,430	1,872	2,270	2,550	2,681	2,812	2,922	3,430	3,340
South Carolina	438	349	214	261	260	375	400	458	456	451	463	503	645	793	966	1,163	1,201	1,201	1,201	1,381	1,381
Tennessee	900	743	622	495	510	601	721	810	880	801	853	927	1,221	1,600	2,005	2,329	2,406	2,444	2,742	2,940	2,928
Virginia	967	892	770	564	620	770	840	907	900	938	900	1,127	1,484	2,132	2,457	2,840	2,670	2,861	2,990	3,244	3,221
Southwest	4,163	3,628	3,788	2,199	3,299	2,623	2,384	3,482	3,604	3,423	3,760	3,908	4,734	6,068	8,741	9,514	9,676	10,126	11,202	12,464	12,005
Arizona	245	202	170	132	120	163	107	232	232	213	227	237	287	440	601	801	1,004	1,014	1,014	1,014	830
New Mexico	101	137	110	95	90	112	121	162	177	166	179	190	222	300	380	423	450	480	548	614	605
Oklahoma	1,070	844	690	407	637	623	609	743	841	707	708	820	968	1,335	1,833	2,330	2,400	2,444	2,742	2,940	2,928
Texas	2,008	2,338	1,843	1,151	1,552	1,778	1,900	2,353	2,344	2,428	2,684	2,682	3,208	4,524	6,121	8,045	8,045	7,065	8,113	8,710	8,205
Central	24,226	20,833	17,185	12,630	12,183	14,138	16,328	18,088	20,620	18,375	20,000	21,654	26,800	33,520	39,704	42,252	43,485	45,830	52,328	59,085	59,111
Illinois	7,036	6,003	4,813	3,637	3,335	3,787	4,222	4,808	5,205	4,533	5,280	5,740	6,800	8,267	9,740	10,219	10,619	12,100	13,305	15,002	14,107
Indiana	1,877	1,508	1,325	974	978	1,107	1,313	1,571	1,712	1,422	1,588	1,836	2,437	3,112	3,700	3,958	4,113	4,327	4,784	5,357	5,007
Iowa	1,348	1,248	905	619	644	600	690	882	1,002	1,008	1,185	1,313	1,627	2,016	2,380	2,518	2,451	2,682	2,804	3,285	3,301
Michigan	3,613	2,940	2,403	1,810	1,641	2,131	2,460	2,826	3,257	2,704	3,054	3,424	4,271	5,520	6,024	7,258	6,902	7,404	8,598	9,155	9,012
Minnesota	1,443	1,329	1,126	834	812	821	1,083	1,281	1,302	1,208	1,378	1,432	1,620	2,002	2,310	2,458	2,600	3,153	3,421	3,875	3,403
Missouri	2,210	1,964	1,668	1,284	1,444	1,880	1,533	1,763	1,824	1,704	1,832	1,914	2,302	2,842	3,301	3,002	3,231	3,471	4,567	5,213	5,032
Ohio	4,020	3,231	2,604	2,010	2,001	2,694	3,447	4,072	4,400	3,764	4,164	4,448	5,040	7,022	8,417	9,807	9,122	9,719	10,783	12,032	11,447
Wisconsin	1,848	1,507	1,202	971	938	1,061	1,283	1,452	1,571	1,443	1,616	1,628	2,041	2,676	3,026	3,384	3,438	3,823	4,236	4,838	4,485
Northwest	3,227	3,092	2,834	1,831	1,433	2,054	2,087	3,023	3,236	2,974	3,262	3,262	4,109	6,097	7,185	7,611	7,812	8,554	9,824	10,660	9,822
Colorado	653	600	476	302	359	404	440	538	584	528	591	680	860	1,144	1,157	1,274	1,380	1,626	1,720	1,720	1,708
Idaho	280	204	183	112	115	140	106	201	230	207	213	232	278	433	548	606	616	631	705	707	707
Kansas	997	929	730	487	471	649	682	724	784	690	692	737	974	1,600	1,824	1,957	1,929	2,000	2,399	2,506	2,201
Montana	325	204	219	168	168	212	230	283	299	271	288	321	372	473	531	608	608	608	787	887	787
Nebraska	704	740	678	344	374	378	470	634	640	609	628	690	955	1,047	1,200	1,340	1,379	1,478	1,694	1,843	1,690
North Dakota	214	221	160	122	124	150	178	197	217	199	200	217	331	434	510	510	510	510	576	662	703
South Dakota	265	204	150	117	116	157	184	106	203	206	227	242	301	480	478	579	624	676	769	862	703
Utah	373	220	186	143	143	105	192	241	247	234	243	265	320	424	505	544	566	604	759	816	825
Wyoming	164	140	118	80	87	103	114	132	150	132	141	151	174	210	248	272	294	320	374	418	418
Far West	6,808	6,464	5,456	4,167	4,991	4,025	5,263	5,352	6,711	6,331	6,730	7,451	9,470	12,972	17,139	18,864	18,803	20,335	21,684	23,070	22,966
California	5,217	4,878	4,181	3,193	3,119	3,530	3,904	4,730	5,047	4,772	5,047	6,000	7,944	10,418	12,444	13,730	13,882	15,190	16,013	17,003	17,004
Nevada	74	70	62	40	43	62	62	72	77	69	84	84	107	167	215	215	215	215	215	215	215
Oregon	603	534	422	338	337	404	460	540	590	540	587	633	824	1,001	1,500	1,672	1,671	1,717	1,999	2,143	2,086
Washington	1,104	982	800	601	608	708	778	983	1,007	920	1,012	1,100	1,603	2,218	2,922	3,593	3,593	3,335	3,307	3,648	3,329

1 See footnote 2, table 6.

Source: U. S. Department of Commerce, Office of Business Economics.

The Northwest's characteristically large fluctuations in farm income, and concurrent irregularities in total income, are apt to obscure the record of the striking relative growth of its nonfarm economy. In the postwar period incomes from nonagricultural sources in this area advanced at rates equalled only in the Southwest. All Northwestern States recorded increases from 1940 to 1949 well above the national average. Factory payrolls in the region, though still forming less than 10 percent of all

country and the concentration of low-income States in the South. Per capita incomes in 1949 varied from \$634 in Mississippi to \$1,820 in the District of Columbia. Others in the top rank include New York (\$1,758), Nevada (\$1,731), Delaware (\$1,675), California (\$1,665), Illinois (\$1,618), Connecticut (\$1,591), and New Jersey (\$1,546).

Against this background of striking disparity, however, it is significant that over the past two decades there has been an appreciable narrowing of the relative differences in income levels among the States and regions. The chart shows clearly the convergence of regional differentials which has taken place since 1929.

The percentage by which per capita income exceeded the national average dropped in New England from 23 in 1929 to 5 in 1949, and in the Middle East from 36 to 18. The margin of per capita incomes in the Far West above the national average also was reduced appreciably, from 27 to 21 percent.

On the other hand, the three regions with relatively low average-income levels have considerably improved their per capita incomes in relation to the national average over the period 1929-49. In the Southeast, average income rose from 51 to 66 percent of that for the country as a whole. The Southwest raised its per capita income from 68 percent of the national average in 1929 to 88 percent of it in 1949, and

the per capita income of the Northwest improved from a point 21 percent below the national average in 1929 to a point only 4 percent below it in 1949.

In both 1929 and 1949 the per capita income of the large Central region was 8 percent above the United States average.

There was some tendency for the relative differences in State and regional per capita incomes to narrow in the prewar period. But, as shown by the data in table 4, most of the reduction in geographic inequality in the past two decades has occurred in the period since 1940.

On a State basis, the lessening of relative differences in average income levels is evident to a striking degree. Of the 33 States that in 1929 had per capita incomes below the national average, 30 scored relative advances from 1929 to 1949 exceeding that for the country as a whole. Conversely, of the 16 States that in 1929 had per capita incomes higher than the national average, 12 registered gains in the past two decades falling short of the Nation-wide average.

The net effect of these counter-movements was that from 1929 to 1949 the over-all per capita income of the 33 low-income States advanced from approximately one-half to two-thirds of the comparable average for the high-income States. The 187 percent expansion of per capita income in

Table 3.—Per Capita Income Payments, by States and Regions

(Dollars)

State and region	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949
Continental United States	686	696	690	730	749	720	769	831	901	949	930	975	993	976	1,059	1,101	1,102	1,123	1,294	1,387	1,439
New England	808	708	684	642	614	641	602	673	704	640	628	727	872	1,059	1,232	1,298	1,309	1,312	1,471	1,466	1,536
Connecticut	918	830	783	689	640	665	669	728	808	710	764	808	1,069	1,312	1,496	1,538	1,495	1,408	1,594	1,690	1,801
Maine	660	540	473	307	304	294	428	480	450	474	459	513	777	1,021	1,040	1,040	1,040	1,043	1,056	1,063	1,067
Massachusetts	897	826	735	504	653	597	654	713	737	877	718	708	888	1,050	1,217	1,297	1,353	1,345	1,370	1,408	1,437
New Hampshire	652	599	551	422	420	478	502	544	502	531	549	569	670	808	918	1,048	1,073	1,115	1,161	1,224	1,196
Rhode Island	851	707	685	502	635	573	630	681	714	810	679	719	917	1,143	1,240	1,323	1,298	1,282	1,373	1,438	1,493
Vermont	601	542	478	389	391	307	450	501	406	564	493	539	629	788	934	965	1,018	1,045	1,092	1,153	1,075
Middle East	926	841	717	552	525	596	623	711	740	674	769	782	872	1,042	1,241	1,342	1,415	1,433	1,502	1,608	1,586
Delaware	919	752	682	625	612	680	684	700	705	682	771	808	1,007	1,184	1,307	1,309	1,400	1,450	1,535	1,618	1,675
District of Columbia	1,191	1,179	1,088	930	800	870	940	1,124	1,104	1,044	1,031	1,083	1,078	1,104	1,270	1,383	1,373	1,467	1,523	1,713	1,820
Maryland	703	661	577	450	441	408	422	467	436	404	435	455	510	624	710	787	1,045	1,104	1,102	1,113	1,122
New Jersey	947	890	701	680	638	689	650	713	790	600	748	805	924	1,130	1,286	1,434	1,451	1,448	1,524	1,694	1,546
New York	1,120	1,023	871	671	644	706	743	827	901	791	925	904	982	1,158	1,370	1,434	1,414	1,422	1,578	1,800	1,733
Pennsylvania	707	688	576	420	414	474	510	584	620	653	658	627	752	806	1,101	1,208	1,237	1,277	1,392	1,494	1,415
West Virginia	404	393	339	204	266	242	282	312	317	309	375	307	478	581	703	719	678	694	734	804	808
Southeast	344	329	315	311	305	238	280	361	310	287	263	322	463	532	674	787	611	686	803	932	932
Alabama	305	282	261	165	154	107	213	253	250	233	213	270	365	504	633	705	745	718	787	834	773
Arkansas	305	211	177	163	152	180	264	246	240	234	240	253	338	478	542	639	702	780	745	903	778
Florida	484	481	363	287	272	325	360	423	445	418	442	470	621	831	1,015	1,062	1,083	1,083	1,103	1,120	1,120
Georgia	380	274	227	180	230	245	294	258	301	260	260	317	357	610	674	702	805	794	873	910	875
Kentucky	371	303	256	198	195	234	280	267	325	283	287	306	371	462	621	701	765	772	830	900	865
Louisiana	415	344	200	230	222	200	286	330	348	311	354	348	438	584	741	823	887	780	804	901	1,002
Mississippi	273	161	143	128	123	102	177	218	207	189	201	203	378	502	470	672	600	560	578	753	634
North Carolina	309	255	214	170	200	203	270	204	312	288	308	310	308	613	610	706	706	781	867	887	851
South Carolina	232	200	178	147	107	209	223	254	203	241	251	286	358	478	580	671	669	735	708	844	787
Tennessee	340	253	234	183	190	241	268	302	311	280	295	310	410	521	674	606	620	627	639	900	875
Virginia	422	367	320	275	200	310	347	303	404	390	402	445	507	793	880	960	974	903	1,023	1,088	1,009
Southwest	484	378	343	237	247	279	309	357	397	371	368	390	480	646	833	958	905	946	1,043	1,112	1,166
Arizona	573	470	382	271	203	322	353	426	483	430	401	463	537	718	899	985	1,003	1,030	1,121	1,170	1,163
New Mexico	383	329	268	192	190	240	272	330	353	323	341	361	410	582	601	797	861	851	947	906	1,033
Oklahoma	445	352	275	213	220	210	281	310	353	327	340	387	402	614	738	808	802	832	908	1,036	1,065
Texas	468	382	312	248	257	282	310	360	400	367	401	418	406	674	877	971	985	978	1,067	1,137	1,203
Central	729	612	580	565	555	471	409	540	589	631	565	685	748	939	1,132	1,217	1,245	1,275	1,358	1,508	1,414
Illinois	932	772	620	458	431	485	543	630	691	616	671	727	871	1,042	1,220	1,341	1,417	1,493	1,527	1,722	1,618
Indiana	593	491	405	266	200	351	352	408	505	449	405	541	704	607	1,002	1,177	1,217	1,107	1,304	1,380	1,290
Iowa	646	564	395	248	254	213	357	391	434	429	408	493	611	827	1,010	1,017	1,007	1,202	1,153	1,507	1,282
Michigan	745	608	364	362	345	458	524	600	659	535	561	649	706	1,030	1,274	1,338	1,273	1,274	1,419	1,403	1,443
Minnesota	590	515	383	320	307	346	403	473	400	474	497	508	687	794	900	972	1,002	1,103	1,205	1,340	1,227
Missouri	612	545	401	340	327	373	413	473	488	486	480	504	610	783	910	1,030	1,066	1,141	1,179	1,339	1,286
Ohio	748	638	522	388	385	423	507	589	640	561	603	644	810	1,013	1,234	1,292	1,267	1,200	1,401	1,534	1,436
Wisconsin	694	450	433	312	312	337	413	489	610	400	495	618	694	947	1,067	1,131	1,189	1,203	1,200	1,400	1,339
Northwest	534	467	384	282	285	304	304	389	428	402	418	463	550	637	882	1,038	1,141	1,161	1,336	1,412	1,273
Colorado	610	548	423	349	330	378	412	493	533	475	505	618	692	903	1,025	1,172	1,183	1,420	1,460	1,693	1,618
Idaho	518	435	330	241	242	301	338	400	444	400	411	459	536	623	903	1,021	1,107	1,153	1,303	1,263	1,221
Kansas	532	468	402	267	258	298	337	383	430	392	383	421	540	620	1,026	1,126	1,112	1,073	1,205	1,270	1,210
Montana	602	490	303	200	290	387	405	514	611	488	615	678	670	889	1,078	1,298	1,270	1,349	1,078	1,000	1,380
Nebraska	557	544	421	263	275	279	353	380	412	384	307	438	514	641	777	1,110	1,142	1,167	1,231	1,408	1,294
North Dakota	380	328	230	181	100	205	200	300	333	309	326	371	530	792	938	1,059	1,120	1,130	1,588	1,625	1,262
South Dakota	417	382	280	171	172	232	278	294	386	318	351	379	491	623	830	1,040	1,100	1,203	1,315	1,522	1,174
Utah	537	470	370	276	275	313	302	310	389	424	443	477	570	688	1,068	1,081	1,080	1,085	1,184	1,220	1,213
Wyoming	637	519	415	371	309	435	477	548	600	637	507	632	654	783	920	1,071	1,175	1,208	1,438	1,403	1,491
Far West	808	775	643	461	405	624	671	834	714	682	682	747	908	1,161	1,441	1,538	1,486	1,579	1,642	1,668	1,610
California	908	864	710	532	511	683	617	734	709	714	741	803	951	1,180	1,470	1,664	1,510	1,623	1,719	1,743	1,606
Nevada	817	701	600	470	447	436	514	600	735	645	707	821	809	1,049	1,488	1,630	1,558	1,723	1,809	1,894	1,781
Oregon	640	547	456	342	337	389	447	530	652	607	544	674	722	1,036	1,206	1,373	1,390	1,414	1,600	1,562	1,448
Washington	710	626	603	374	300	433	478	570	607	638	688	629	829	1,150	1,423	1,618	1,407	1,531	1,308	1,441	1,409

Table 9.—State Income Payments, by Type of Payment, 1942-49<sup>1</sup>

(Millions of dollars)

State	1942	1943	1944	1945	1946	1947	1948	1949	State	1942	1943	1944	1945	1946	1947	1948	1949
United States, total <sup>2</sup>	117,190	141,631	153,300	157,100	170,002	186,330	202,389	197,521	Maine, total <sup>1</sup>	980	872	881	847	921	934	1,068	1,004
Wages and salaries	77,045	90,304	101,548	99,188	106,100	118,715	131,087	130,822	Wages and salaries	483	420	404	380	404	430	484	461
Proprietors' income	22,102	25,320	28,081	26,034	26,804	35,391	38,790	38,310	Proprietors' income	107	155	143	155	170	179	196	163
Property income	12,653	13,667	14,300	15,124	17,480	19,100	21,043	21,879	Property income	67	74	58	80	102	102	112	117
Other income	4,194	6,861	9,277	12,873	12,722	12,094	11,459	12,817	Other income	23	33	45	70	70	73	64	73
Alabama, total	1,437	1,813	1,980	2,000	2,093	2,300	2,388	2,313	Maryland, total <sup>2</sup>	2,033	2,440	2,577	2,530	2,723	2,531	3,039	3,081
Wages and salaries	903	1,179	1,210	1,177	1,260	1,320	1,404	1,416	Wages and salaries	1,481	1,802	1,828	1,704	1,781	1,912	2,098	2,116
Proprietors' income	373	457	490	400	407	611	656	615	Proprietors' income	275	330	371	300	490	460	477	430
Property income	83	300	115	124	143	154	168	187	Property income	238	237	240	254	280	323	300	378
Other income	48	100	154	202	227	215	188	215	Other income	40	60	131	185	154	151	184	190
Arizona, total	448	603	601	604	644	725	835	838	Massachusetts, total	4,520	5,130	5,438	5,680	6,180	6,423	6,904	6,892
Wages and salaries	287	410	390	398	370	430	487	485	Wages and salaries	3,279	3,708	3,927	4,172	4,701	4,841	4,944	4,880
Proprietors' income	107	128	122	120	162	175	218	212	Proprietors' income	408	510	560	597	600	640	657	684
Property income	35	40	45	47	56	64	76	79	Property income	501	602	623	638	723	734	804	806
Other income	20	30	44	50	55	50	55	62	Other income	182	220	338	473	500	400	447	623
Arkansas, total	606	1,006	1,161	1,248	1,363	1,373	1,533	1,448	Michigan, total	6,020	6,034	7,290	6,002	7,405	8,330	9,159	8,013
Wages and salaries	458	613	634	671	693	624	707	721	Wages and salaries	4,183	5,400	6,443	4,788	6,111	6,925	7,900	6,688
Proprietors' income	352	361	421	410	528	512	622	479	Proprietors' income	737	827	947	1,021	1,160	1,187	1,243	1,054
Property income	60	60	74	80	68	60	68	68	Property income	444	400	623	500	633	600	800	830
Other income	40	70	132	175	102	145	130	143	Other income	181	207	338	523	532	532	417	475
California, total	9,348	13,444	15,720	15,882	15,180	16,043	17,003	17,005	Minnesota, total	2,900	2,316	2,450	2,080	2,153	3,121	3,875	3,603
Wages and salaries	6,223	8,576	9,910	9,353	9,353	10,228	11,011	11,081	Wages and salaries	1,900	1,200	1,261	1,419	1,670	1,870	2,084	2,130
Proprietors' income	1,864	2,200	2,208	2,707	2,307	2,011	3,010	3,451	Proprietors' income	679	727	698	800	1,000	1,012	1,237	885
Property income	1,163	1,350	1,220	1,381	1,023	1,789	2,020	2,114	Property income	194	211	220	248	212	318	341	360
Other income	324	429	438	560	837	1,008	952	1,170	Other income	107	112	108	220	251	230	307	238
Colorado, total	900	1,144	1,157	1,274	1,380	1,620	1,729	1,703	Mississippi, total	880	1,108	1,221	1,245	1,201	1,374	1,531	1,517
Wages and salaries	582	678	662	703	772	870	983	1,014	Wages and salaries	440	583	602	518	531	570	636	636
Proprietors' income	233	284	205	214	334	447	426	358	Proprietors' income	351	381	454	444	428	502	562	451
Property income	122	130	158	139	169	172	191	197	Property income	50	65	68	70	70	86	90	88
Other income	53	65	95	115	113	128	126	134	Other income	39	73	137	192	100	146	129	140
Connecticut, total	2,384	2,689	2,907	2,909	2,808	3,120	3,301	3,213	Missouri, total	2,842	3,391	3,002	3,631	4,371	4,887	5,213	5,062
Wages and salaries	1,743	1,977	2,000	1,706	1,912	2,180	2,353	2,230	Wages and salaries	2,315	2,138	2,247	2,300	2,483	2,809	3,115	3,100
Proprietors' income	102	237	225	271	220	282	332	304	Proprietors' income	718	770	813	824	1,100	969	1,272	1,400
Property income	362	353	381	362	400	435	470	504	Property income	300	317	328	348	400	400	514	429
Other income	47	70	118	170	161	189	130	175	Other income	113	166	207	300	373	341	311	333
Delaware, total	328	334	403	390	432	409	513	641	Montana, total	472	631	558	679	689	707	807	787
Wages and salaries	208	255	267	261	269	315	345	307	Wages and salaries	330	265	272	274	315	372	422	440
Proprietors' income	46	52	53	60	66	68	60	68	Proprietors' income	178	284	210	212	253	310	305	221
Property income	40	60	65	65	72	70	80	80	Property income	39	40	43	47	60	64	71	73
Other income	0	10	17	24	25	20	17	28	Other income	23	22	33	45	45	42	38	42
Dist. of Columbia, total <sup>2</sup>	1,250	1,490	1,618	1,617	1,737	1,743	1,893	1,910	Nebraska, total	1,047	1,229	1,343	1,370	1,478	1,554	1,849	1,633
Wages and salaries	896	1,171	1,313	1,250	1,309	1,332	1,400	1,404	Wages and salaries	400	583	608	646	641	728	811	844
Proprietors' income	37	51	90	107	122	114	120	113	Proprietors' income	458	470	508	500	602	586	794	864
Property income	131	130	140	152	171	182	190	205	Property income	94	133	112	110	142	150	170	170
Other income	36	60	75	108	125	113	100	107	Other income	30	46	72	97	93	80	74	75
Florida, total	1,409	2,166	3,453	2,021	2,454	2,649	2,817	2,648	Nevada, total	200	314	213	215	220	220	270	277
Wages and salaries	972	1,403	1,406	1,033	1,448	1,480	1,718	1,701	Wages and salaries	140	140	142	143	144	152	153	162
Proprietors' income	234	303	446	610	500	484	608	530	Proprietors' income	43	42	42	46	43	50	61	55
Property income	180	208	228	203	334	344	302	415	Property income	18	21	22	24	30	30	41	41
Other income	63	62	148	210	102	210	100	213	Other income	0	6	6	6	12	12	11	12
Georgia, total	1,048	2,178	2,430	2,489	2,507	2,817	2,900	2,028	New Hampshire, total <sup>1</sup>	353	388	427	407	548	680	634	691
Wages and salaries	1,003	1,410	1,818	1,477	1,510	1,676	1,670	1,002	Wages and salaries	243	255	274	209	348	391	432	414
Proprietors' income	307	472	503	658	620	681	640	553	Proprietors' income	40	61	60	73	87	66	68	70
Property income	128	145	104	179	218	236	254	250	Property income	40	52	65	68	68	71	70	81
Other income	00	110	204	292	234	225	200	217	Other income	14	20	32	40	43	42	36	47
Idaho, total	423	497	537	540	604	671	765	707	New Jersey, total <sup>1</sup>	4,572	5,420	5,838	5,707	6,188	6,546	7,008	7,048
Wages and salaries	224	260	282	205	204	343	370	397	Wages and salaries	3,497	4,153	4,402	4,102	4,317	4,703	5,140	5,115
Proprietors' income	164	176	188	108	220	218	201	213	Proprietors' income	612	574	642	600	688	788	830	702
Property income	30	33	37	40	45	67	67	68	Property income	400	408	484	436	570	647	722	700
Other income	13	18	30	41	40	50	38	30	Other income	148	106	308	445	433	380	331	381
Illinois, total	8,267	9,470	10,297	10,840	12,160	13,300	14,002	14,107	New Mexico, total	300	280	426	480	490	508	614	605
Wages and salaries	4,824	5,390	7,139	7,120	7,919	9,610	10,000	9,780	Wages and salaries	173	203	203	261	372	311	361	401
Proprietors' income	1,448	1,630	1,687	1,800	2,172	1,890	2,574	1,900	Proprietors' income	61	69	102	110	124	155	186	196
Property income	962	1,041	1,011	1,103	1,224	1,113	1,026	1,047	Property income	36	31	33	30	42	47	53	55
Other income	301	373	540	770	1,206	760	709	904	Other income	10	21	30	30	47	46	42	44
Indiana, total	3,112	3,700	3,030	4,113	4,327	4,784	5,387	6,007	New York, total <sup>2</sup>	15,340	17,702	19,600	20,047	23,090	24,513	26,030	26,340
Wages and salaries	2,000	2,512	2,075	2,847	2,987	3,110	3,408	3,436	Wages and salaries	10,320	12,300	13,280	13,031	15,271	16,820	18,329	18,743
Proprietors' income	685	763	787	940	1,065	1,048	1,243	1,058	Proprietors' income	2,230	2,417	2,702	2,320	3,438	3,054	3,239	3,381
Property income	306	284	300	314	357	387	422	404	Property income	2,281	2,392	2,457	2,550	2,890	3,123	3,470	3,543
Other income	102	145	237	312	288	226	220	240	Other income	590	703	1,061	1,407	1,497	1,300	1,608	1,613
Iowa, total	2,015	2,368	2,318	2,451	2,062	2,804	3,785	3,301	North Carolina, total	1,672	2,270	2,530	2,051	3,012	3,222	3,438	3,349
Wages and salaries	900	1,080	1,010	1,014	1,170	1,383	1,540	1,605	Wages and salaries	1,105	1,426	1,453	1,440	1,532	1,831	2,072	2,096
Proprietors' income	654	1,184	924	960	1,310	1,333	1,728	1,130	Proprietors' income	618	558	681	712	882	802	873	793
Property income	180	314	228	247	301	314	343	340	Property income	180	170	200	211	263	272	290	290
Other income	40	61	147	184	186	105	160	220	Other income	54	108	109</					

Table 9.—State Income Payments, by Type of Payment,  
1942-49—Continued

(Millions of dollars)

State	1942	1943	1944	1945	1946	1947	1948	1949
Oregon, total.....	1,261	1,380	1,472	1,571	1,777	1,900	2,143	2,305
Wages and salaries.....	821	1,009	1,121	1,232	1,400	1,570	1,788	1,980
Proprietors' income.....	297	330	358	401	444	441	483	587
Property income.....	86	97	108	120	143	161	182	196
Other income.....	57	34	85	118	131	128	108	127
Pennsylvania, total.....	6,422	10,377	11,208	11,400	12,862	13,701	14,797	14,466
Wages and salaries.....	6,422	7,801	7,870	7,716	8,778	9,537	10,510	10,214
Proprietors' income.....	1,045	1,374	1,543	1,635	2,000	1,881	1,974	1,738
Property income.....	1,062	1,080	1,131	1,104	1,216	1,280	1,346	1,327
Other income.....	308	413	604	635	1,068	894	741	603
Rhode Island, total.....	322	328	361	362	400	403	445	417
Wages and salaries.....	312	308	304	307	343	344	372	372
Proprietors' income.....	81	83	94	97	110	102	106	91
Property income.....	105	104	107	108	121	123	140	151
Other income.....	24	30	56	50	86	104	89	103
South Carolina, total.....	980	1,153	1,281	1,310	1,430	1,608	1,681	1,881
Wages and salaries.....	980	703	734	704	744	843	1,094	1,068
Proprietors' income.....	101	220	277	278	361	353	344	266
Property income.....	69	68	77	88	105	100	110	116
Other income.....	30	54	130	139	125	127	119	130
South Dakota, total.....	450	478	572	634	676	700	630	731
Wages and salaries.....	450	401	400	413	424	408	318	322
Proprietors' income.....	272	286	307	330	343	414	433	394
Property income.....	30	32	34	40	48	61	68	69
Other income.....	10	19	30	41	43	38	30	46
Tennessee, total.....	1,630	2,003	2,320	2,498	2,844	3,742	3,940	2,888
Wages and salaries.....	1,047	1,302	1,307	1,428	1,430	1,618	1,782	1,778
Proprietors' income.....	370	480	567	617	681	680	677	586
Property income.....	145	157	165	172	201	226	244	270
Other income.....	43	115	200	277	256	248	229	247
Texas, total.....	4,524	6,121	6,045	6,076	7,005	8,113	8,710	9,265
Wages and salaries.....	2,755	3,803	4,078	2,844	3,885	4,567	5,280	5,442
Proprietors' income.....	1,340	1,474	1,543	1,495	1,769	2,240	2,128	2,373
Property income.....	430	496	547	585	702	786	890	901
Other income.....	169	288	477	609	600	588	550	549
Utah, total.....	624	640	644	668	694	759	810	825
Wages and salaries.....	562	597	617	612	610	608	521	530
Proprietors' income.....	110	108	148	140	102	180	181	190
Property income.....	33	37	40	44	61	64	67	64
Other income.....	20	28	42	50	62	69	83	80
Vermont, total.....	254	290	303	332	371	408	421	400
Wages and salaries.....	124	170	180	184	213	242	262	265
Proprietors' income.....	60	67	67	61	90	93	90	80
Property income.....	36	39	37	38	41	47	48	48
Other income.....	8	13	19	29	27	26	24	29
Virginia, total.....	2,132	2,457	2,645	2,679	2,834	2,960	3,244	3,221
Wages and salaries.....	1,555	1,774	1,804	1,748	1,986	1,972	2,153	2,234
Proprietors' income.....	363	408	472	483	562	594	617	610
Property income.....	174	187	201	212	237	202	226	237
Other income.....	61	96	169	233	160	162	158	174
Washington, total.....	2,218	2,922	2,240	2,095	3,189	2,207	2,845	2,336
Wages and salaries.....	1,544	2,007	2,339	2,339	1,034	2,409	2,317	2,383
Proprietors' income.....	417	527	612	606	697	691	688	612
Property income.....	178	109	214	238	208	208	329	379
Other income.....	70	101	146	200	242	231	211	366
West Virginia, total.....	1,694	1,263	1,351	1,407	1,042	1,800	2,090	1,028
Wages and salaries.....	796	900	905	900	1,042	1,300	1,521	1,391
Proprietors' income.....	180	103	190	229	275	285	300	244
Property income.....	78	84	90	91	110	120	128	199
Other income.....	50	70	72	175	166	136	115	134
Wisconsin, total.....	2,576	2,023	2,324	2,488	3,823	4,285	4,033	4,408
Wages and salaries.....	1,632	1,302	2,080	2,053	2,210	2,008	2,042	2,028
Proprietors' income.....	611	714	784	874	1,003	1,008	1,047	880
Property income.....	285	362	320	335	384	411	454	474
Other income.....	88	107	101	296	226	207	190	210
Wyoming, total.....	210	245	272	289	330	374	414	419
Wages and salaries.....	128	145	163	168	178	214	250	288
Proprietors' income.....	66	70	75	81	108	128	145	99
Property income.....	10	18	20	22	26	26	34	34
Other income.....	7	9	14	21	18	18	17	18

<sup>1</sup> Conceivable estimates for the years 1929, 1933, and 1939-41 were published in the August 1948 issue of the Survey of Current Business.

<sup>2</sup> The totals shown here and in table 7 for the States footnoted are not strictly measures of the income received by residents. The totals for the District of Columbia, New York, and Maine are too high—and those for Maryland, Virginia, New Jersey, and New Hampshire too low—in terms of measures of total income received by residents. The estimates shown here for the District of Columbia include income paid out to residents of Maryland and Virginia employed in the District, but they exclude the income of District residents employed in these two States. Estimates for New York include income paid to residents of New Jersey employed in New York, but do not include the income of New York residents employed in New Jersey. Similarly, estimates for Maine include income paid to residents of New Hampshire employed in Maine. In the computation of per capita income for these 7 States, the income totals shown here and in table 7 were first adjusted to a residence basis before division by population. Following are the amounts (in millions of dollars) of the adjustments for 1949: District of Columbia, -445; Maryland, +225; Virginia, +225; New York, -480; New Jersey +480; Maine, -16; New Hampshire, +16. (The adjustments for Maine and New Hampshire were of more stable magnitude in the year period.) Because of lack of data which would permit a breakdown of the amounts of adjustment according to their type of payment and industrial sources, it has not yet been feasible to publish on a residence-adjusted basis the estimates of total income and its sources for these States.

Source: U. S. Department of Commerce, Office of Business Economics.

the low-income group, from \$457 to \$1,081, exceeded by a substantial margin the 74 percent rise in the high-income group. In the latter, the 1929-49 per capita increase was from \$897 to \$1,562. It will be observed that the absolute increase in this group was larger—though only moderately—than that recorded for the States with below-average per capita incomes.

Despite the relative narrowing of geographic variations in per capita income over the past two decades, these variations were so broad in 1929 that the general ranking of the States was not substantially changed by 1949. In 1929, eight of the States had substantially higher per capita incomes than the others. By 1949, seven were still in the top rank. And of the 13 States clustered at the lower end of the per capita income array in 1929, 11 (all Southern States) were among the 13 States receiving the lowest average incomes last year.

The District of Columbia and New York furnish interesting examples of the narrowing of relative differentials but comparative stability of rankings. In 1929 their per capita incomes were the highest in the Nation—75 and 66 percent, respectively, above the national average. From 1929 to 1949 the percentages by which per capita incomes in the District and New York exceeded the national average were cut approximately in half. Nevertheless, in 1949 the District of Columbia and New York again ranked first and second in size of per capita income.

There are two main differences between the long-term regional trends in per capita income and the regional trends in total income discussed in an earlier section. These relate to the Northwest and Far West. The Northwest—where total population increased 5 percent from 1929 to 1949, as compared with the national increase of 22 percent—experienced a substantially larger relative improvement in per capita income than in total income. (See table 8.) The Far West, where population expanded three-fourths from 1929 to 1949, scored the largest relative gain in total income of any region; but its increase in per capita income was less than the national average.

### Technical Notes

1. *Scope of State income work.*—The work of the Office of Business Economics in the field of geographic income measurement is limited to the preparation of estimates of income payments to individuals by States. Largely because of the lack of requisite data, State estimates have not been prepared of national income or of gross national product. Regional estimates of disposable income were published for selected years in the August 1947 Survey of Current Business, but it has not been possible to develop reliable measures of disposable income by States because of several statistical incompatibilities between the State data on income payments and the available State data on taxes.

2. *Revision of State income payments.*—Latest detailed statistics of the national income, national product, and related series are available for the period 1929-41 from the special National Income Supplement to the July 1947 Survey of Current Business and for the years 1942-49 from the July 1950 issue of the Survey. (These publications are available from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., or from any Department of Commerce Field Office. The price of the Supplement is 25 cents and that of the July 1950 Survey is 30 cents.) The estimates published in the National Income Supplement, as extended in the July 1950 Survey, represented a basic revision of the official national income and product statistics. As part of this revision a number of changes were made in the definition of income payments to individuals and the series was renamed "personal income."

Now in preparation is a complete revision of the estimates of State income payments back to 1929. This revised (really "new") State income series will conform with the conceptual and statistical changes introduced into the national estimates of personal income. No completion data has been set for this comprehensive project, progress on which has been slowed by the necessary diversion from time to time of regional income staff members to more current projects.

3. *Definition of State income payments.*—"Income payments to individuals" is a measure of the income received from all sources during the calendar year by the residents of each State. It comprises income received by individuals in the forms of (1) wages and salaries after deduction of employees' contributions to social security, railroad



retirement, cash sickness compensation, and government retirement programs; (2) proprietors' incomes, representing the net income of unincorporated establishments (including farms) before owners' withdrawals; (3) property income, consisting of dividends, interest, and net rents and royalties; and (4) "other" income, which includes public assistance and other direct relief; labor income items such as work relief, government retirement payments, veterans' pensions and benefits, workmen's compensation, social insurance benefits, and pay of military reservists; mustering-out payments to discharged servicemen; family allowance payments and voluntary allotments of pay to dependents of military personnel; enlisted men's cash terminal leave payments and redemptions of terminal leave bonds; and State government bonuses to veterans of World War II. Income payments are distributed among the States on a where received basis (with the exception of wages and salaries, as noted below). Only payments made to residents are included in the estimates for the continental United States and individual States.

4. *Per capita income.*—Per capita income payments are derived by division of total income payments by total population excluding Federal civilian and military personnel stationed outside the continental United States. In seven instances, however, income (included in "total income payments to individuals," table 7) was transferred from the place of recipients' employment to place of residence before computation of per capita income. These are New York and New Jersey; the District of Columbia, Maryland, and Virginia; and Maine and New Hampshire. In this connection, it should be noted that the wage-and-salary component of total income payments is allocated by States on the basis of data reflecting State of employment, rather than of residence. For all States except the seven listed above, it is assumed that State of employment is identical with State of residence.

The data used in the derivation of per capita income are midyear estimates of the Bureau of the Census of the Department of Commerce for the years 1929-39. With the exception noted in the next paragraph, unofficial midyear estimates furnished by the Census Bureau, taking into account the 1950 Census of Population preliminary counts, were used for the years 1940-49. State population estimates for 1940-49 adjusted to the 1950 census final counts and based on a more refined methodology will not be prepared and released by the Bureau until next year.

For the years 1944-46, population totals used in deriving per capita income are the sum of the unofficial estimates of civilian population received from the Bureau of the Census and data on military personnel, as compiled from monthly or quarterly information, from the Departments of the Army and Navy.

5. *Regional classifications.*—The regional classifications used in the presentation of income payments by States are adapted from those proposed by Howard W. Odum in *Southern Regions of the United States* (University of North Carolina Press, Chapel Hill, 1936).

6. *Principal sources of data.*—Estimates of total income payments to individuals for each State are derived as the summation of a very large number of separately estimated components. The following statement, which necessarily omits considerable detail, affords a brief description of the principal sources of data used in the derivation of State estimates for each of the four broad types of income payments defined above. Uniform sources and methods are utilized for all States.

Wages and salaries, which for the Nation are two-thirds of all income, are among the types of income for which data are most complete and reliable. They are estimated by States in considerable industrial detail. For most industries they are derived from reports of the Bureau of the Census, the Bureau of Employment Security of the Department of Labor, and the Bureau of Old Age and Survivors Insurance of the Social Security Administration. In the preparation of estimates for 1939 and subsequent years, heavy reliance was placed on wage data compiled by the Bureau of Employment Security from tabulations by the State unemployment insurance agencies of reports received from all covered employers. For each State these tabulations include a summary of the total amount of wages (classified by detailed industry groups) actually paid out by establishments located in the State. The unemployment insurance wage data were supplemented by special tabulations of the Bureau of Old Age and Survivors Insurance furnishing data on wages in the very small-sized firms excluded from unemployment insurance coverage by the varying size-of-firm provisions of the State laws. These tabulations were compiled from wage data filed by employers under the old age and survivors insurance program, which includes all-sized establishments within "covered" employment. Supplementation of the unemployment insurance wage data by the old age and survivors insurance wage data yields a complete measure of wages and salaries paid out by all establishments in "covered" industries. On a Nation-wide basis, wages and salaries in covered industries in 1949 constituted three-fourths of all wages and salaries and one-half of all income payments to individuals.

State estimates of wages and salaries are prepared for each of the several industries, or types of employment, not covered by Social Security laws. These include agriculture; Federal, State, and local government agencies; railroads; domestic service; and nonprofit

religious, charitable, scientific, and educational agencies. Data used in the formulation of estimates for these categories are obtained, for the most part, from Federal agencies. For example, estimates of wages paid to hired farm laborers are secured from the Bureau of Agricultural Economics of the Department of Agriculture. Estimates of wages in the railroad industry were derived from data obtained from the Bureau of Employment Security (unemployment insurance data for 1938), the Interstate Commerce Commission, and the Association of American Railroads. Wage-and-salary payments by governmental agencies are based on data supplied by the Civil Service Commission, Bureau of Labor Statistics of the Department of Labor, Bureau of the Census, Office of Education of the Federal Security Agency, and the Departments of the Army, Navy, and Air Force.

Estimates of government wages and salaries are made separately for the executive, judicial, legislative, and military branches of the Federal Government, and for the school and nonschool groups of employees of State and local governments. Pay of the armed forces, net of their contributions to allowances and allotments going to their dependents, is allocated by States in terms of their State of duty. This allocation is made separately for each of the four military services and is based on monthly or quarterly data by States on numbers of officers and of enlisted personnel stationed in each State and on average rates of pay for the two groups of personnel.

Proprietors' income may be divided for purposes of this discussion into net income of farm operators and net income of nonfarm proprietors. State estimates of the net income of farm operators are derived by deducting from farmers' gross income during the calendar year their total expenses of production. Gross income includes cash income from marketings of crops and livestock, Government payments, the value of products consumed on the farm, and the value (positive or negative) of the change in inventories of crops and livestock. The total of production expenses is a summation of 34 separately estimated items. Data on which the income and expenditures estimates are based are those of the Bureau of Agricultural Economics. The value of change in inventories, it should be noted, is included in farm proprietors' net income because a measure of current income, not net receipts, is desired. Also to be noted is that products consumed on farms are valued at farm prices. For some purposes, particularly those related to "welfare" comparisons, valuation at retail prices might be preferable.

The total net income of proprietors in nonagricultural industries is estimated by States for each major industry division. The general procedure is to prepare State distributions, or allocations, of national totals of nonfarm proprietors' income separately for each industry. The distributions are based mainly, for "benchmark" years (1939 or 1940), on reports of the Bureau of the Census, including reports of both the industrial and population censuses. The data useful for estimation furnished in these reports relate to such items as number of proprietors, sales, withdrawals, value added, payroll, and employment. Pending the availability of more complete information from Census enumerations, year-to-year alterations of the State distributions derived for the census years 1939 and 1940 were based for each industry on a relevant measure such as volume of sales or wage-and-salary payments. However, limited use was made of preliminary results of the 1948 Census of Business in preparing the estimates for 1946-49 included in the present report.

National estimates of dividends, interest, and net rents and royalties are distributed by States largely on the basis of tabulations by the Bureau of Internal Revenue of the amounts of these items reported by individuals on Federal income-tax returns. There are, however, several important exceptions to this general procedure. Estimated as separate components are Federal interest payments to individuals (for recent years from State data on Series E individuals' bond holdings, furnished by the Treasury Department) and the imputed interest paid to individuals by financial intermediaries (based for life insurance companies on life insurance-in-force statistics published in the *Spectator Insurance Yearbook*, and for banks on banking payrolls). Agricultural net rents received by farmer landlords are also estimated as a separate component, from data furnished by the Bureau of Agricultural Economics.

For most of the numerous individual components of the category of "other" income payments, State and national data represent actual disbursements, as reported by Federal agencies. Types of income for which data on disbursements by States are available from official reports include public assistance and other relief, retirement and unemployment insurance benefits under the Social Security and Railroad Retirement and Railroad Unemployment Insurance programs, benefit payments from State cash sickness compensation funds, and veterans' pensions and benefits. For two other items of this category—workmen's compensation and retirement payments by State and local governments—estimates are supplied by the Social Security Administration as a product of its studies of social insurance and related payments. Data on State bonus payments to veterans of World War II were furnished by the individual State governments. State data on veterans' redemptions of terminal-leave bonds were obtained from the Treasury Department.

The Departments of the Army, Navy, and Air Force report dis-



bursements for the country as a whole for mustering-out payments, military allowances, and enlisted men's cash terminal-leave payments. Additionally, they supply requisite data for estimating the amounts of these disbursements received by residents of the various States. Such data include a tabulation by the War Department of the actual

amount of family allowance payments received in each State during June 1944 and annual information on military separations by State of residence. In addition, the Office of Selective Service Records made available special tabulations of the number of military personnel according to State of residence.

# New or Revised STATISTICAL SERIES

## Manufactured Dairy Products: Revisions for Page S-27<sup>1</sup>

(Thousands of pounds)

Month	Production (factory)												Stocks			
	Butter		Cream					Condensed milk (sweetened)				Eva- porated milk (unsweet- ened)	Dry milk			
			Total			American (whole milk)							Dry whole milk		Nonfat dry milk solids (human food)	
Bulk goods		Case goods														
1947	1948	1946	1947	1948	1947	1948	1947	1948	1948	1948	1948	1946	1947	1948		
January.....	86,237	80,056	82,282	74,201	68,892	55,217	44,814	37,704	13,631	0,018	176,061	12,071	38,043	47,070	16,080	
February.....	94,848	77,805	88,418	76,310	66,042	60,790	46,823	40,915	13,000	0,501	168,500	12,176	40,115	62,514	18,482	
March.....	111,724	90,154	80,071	100,230	80,076	75,380	67,981	61,228	17,125	10,368	271,340	12,433	56,083	80,006	32,453	
April.....	117,903	100,810	98,084	114,181	93,744	80,630	71,821	60,125	24,534	13,384	332,363	14,807	69,180	77,390	38,260	
May.....	148,318	133,101	127,243	140,688	128,359	115,303	103,245	114,028	49,012	12,752	447,601	20,348	94,059	101,632	62,948	
June.....	168,845	134,372	131,344	168,142	131,408	123,025	100,802	111,854	47,671	11,716	440,584	10,827	94,590	111,158	50,513	
July.....	148,007	125,145	117,783	133,208	114,219	111,021	95,132	70,800	34,432	10,082	380,306	12,245	69,502	91,004	50,742	
August.....	114,659	115,378	104,867	103,994	108,047	84,048	69,712	30,373	28,031	11,319	340,290	12,173	62,977	74,080	37,970	
September.....	100,238	82,631	92,846	87,746	88,009	60,085	71,077	21,204	18,083	9,688	273,073	12,029	30,892	48,943	60,446	
October.....	91,717	81,638	85,379	80,897	81,203	44,820	61,014	10,808	13,306	8,320	251,710	11,773	38,773	34,873	73,114	
November.....	80,423	80,300	71,683	60,808	67,072	43,315	48,833	12,073	11,083	7,517	181,414	7,903	37,173	20,237	61,037	
December.....	70,803	84,688	69,037	60,446	71,013	41,015	62,142	14,135	11,787	6,323	143,859	9,103	30,180	14,871	44,378	
Total.....	1,320,004	1,200,042	1,106,347	1,182,948	1,004,426	802,718	630,708	624,300	286,000	130,087	3,382,893	179,097	661,632	.....	.....	
Monthly average.....	118,768	100,837	92,190	98,579	84,202	77,727	70,892	52,031	23,910	10,556	281,906	14,171	55,144	68,700	57,649	

<sup>1</sup> Compiled by the U. S. Department of Agriculture, Bureau of Agricultural Economics. Data represent final revisions.

## Wholesale Price of Kerosene, New York Harbor, Bulk Lots: Revised Series for Page S-35<sup>1</sup>

(Dollars per gallon)

Month	1925	1930	1937	1938	1939	1940	1941	1942	1948	1944	1945	1946	1947	1948
January.....	0.002	0.002	0.005	0.001	0.005	0.008	0.004	0.003	0.008	0.071	0.071	0.004	0.070	0.100
February.....	0.001	0.002	0.007	0.000	0.007	0.005	0.000	0.003	0.008	0.071	0.071	0.003	0.069	0.103
March.....	0.006	0.000	0.003	0.007	0.006	0.007	0.000	0.004	0.009	0.071	0.071	0.004	0.072	0.103
April.....	0.002	0.006	0.003	0.003	0.003	0.000	0.000	0.007	0.071	0.071	0.071	0.004	0.078	0.103
May.....	0.001	0.004	0.004	0.001	0.004	0.008	0.002	0.007	0.071	0.071	0.071	0.003	0.078	0.103
June.....	0.000	0.008	0.008	0.009	0.003	0.004	0.002	0.000	0.071	0.071	0.071	0.004	0.078	0.103
July.....	0.000	0.006	0.008	0.006	0.002	0.004	0.002	0.077	0.071	0.071	0.071	0.001	0.078	0.103
August.....	0.000	0.004	0.003	0.008	0.002	0.000	0.002	0.000	0.071	0.071	0.071	0.007	0.078	0.103
September.....	0.008	0.002	0.003	0.008	0.000	0.008	0.003	0.008	0.071	0.071	0.071	0.003	0.078	0.103
October.....	0.008	0.005	0.008	0.008	0.000	0.008	0.008	0.008	0.071	0.071	0.071	0.006	0.078	0.103
November.....	0.000	0.000	0.002	0.006	0.001	0.001	0.003	0.003	0.071	0.071	0.071	0.007	0.078	0.103
December.....	0.002	0.000	0.002	0.008	0.003	0.004	0.008	0.008	0.071	0.071	0.071	0.003	0.078	0.103
Monthly average.....	0.002	0.007	0.009	0.001	0.006	0.004	0.002	0.002	0.070	0.071	0.000	0.004	0.078	0.103

<sup>1</sup> Compiled by the U. S. Department of Labor, Bureau of Labor Statistics. This series for kerosene, New York Harbor, No. 1 fuel, bulk lots, U. S. b. refineries or terminals, excluding all fees and taxes, has been substituted for the prices for kerosene, water white, Pennsylvania, formerly shown. For data beginning 1940, see p. S-35 of the April 1950 SURVEY and subsequent issues.